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Albania: U.S. Advice on Electoral Law Considered

AU1901102696 Tirana KOHA JONE in Albanian 18 Jan 96 p 4

[Report by Enton Abilekaj: "Double Voting for the Albanians"]

[FBIS Translated Text] The meeting of the Presidium of parliament at the beginning of this week decided that the Electoral Law would not be among the first issues in the new session, thus rejecting the demand of 13 political parties for a discussion of the Electoral Law as soon as possible. The request arrived in the form of a petition from parties headed by Godo, which asked for a discussion of the law before the end of 1995. It resulted in a promise from the Presidium to introduce the law in the first session in the first two weeks of January. However, the Presidium again refused the request of the entire Albanian opposition, here united for the first time. With the passage of time, the attitude of the Presidium of parliament dominated by the ruling party will become clear. Two statements about the Electoral Law by government leaders have struck a final blow at the bill proposed by the opposition. Parliamentary Chairman Pjeter Arbnori said that the bill drawn up by the government would be discussed at the plenary session and the Democratic Party [PD] leaders had stated frankly their preference for a law that suited the PD. At the most recent PD rally attended by President Berisha, party leaders were frank in their demands for a law especially designed for a PD victory. The government is preparing a draft of precisely this kind and for the first time has sought foreign assistance. U.S. specialists' comments on the Electoral Law have arrived at the prime minister's office and are being discussed. These comments have kindled a new debate. The Americans have asked the Albanians to vote twice in the next elections. According to the American suggestion, votes will not be cast for individuals and parties at the same time, as hitherto, but there will be a separation. The list of people nominated by parties will be separate from the list of parties on their own. The mixture of the majority principle and proportional representation in the present law creates room for this. Such a change gives more room for votes for the parties, regardless of which candidates they field. This method lays greater emphasis on the proportional aspect of the Electoral Law, as the opposition parties have asked. The double voting will create room for small parties that will not be able to field candidates in every constituency and it also more or less removes the need for them to form coalitions. President Berisha also drew attention to these coalitions in his speech to the PD National Council. This must be the main reason for the government's delay in drafting the electoral bill, which should already have been put before parliament. Apart from the changes already announced, this will probably be the only change that the parties will not oppose.

The change to the manner of correcting the result in favor of the majority, the multiplication of the necessary threshold percentage, leading to preelectoral coalitions, and the increase to 1,000 of signatures necessary to nominate candidates will all have no effect if the government accepts the proposal for double voting. Perhaps, bearing in mind the origin of this proposal, we may trust that the Albanians will indeed be voting twice in the next elections.

Albania: Spokesman Criticizes Article on PRC Debt

AU1901085596 Tirana RILINDJA DEMOKRATIKE in Albanian 18 Jan 96 p 1

[Editorial: "Understanding for Conducting Negotiations on the Foreign Debt"]

[FBIS Translated Text] The editor in chief of RILINDJA DEMOKRATIKE, which has been following President Sali Berisha's visit to China, has learned from the spokesman for the president of the republic that the article published in the 17 January issue of KOHA JONE titled, "China Fails To Waive Albania's Debt," is irresponsible fiction. The president's spokesman has confirmed to Editor in Chief Stani that Albania has recognized the debts incurred by the communist governments in their death-throes. It has not asked any state or international organization, including the PRC, to waive these debts.

A debt with China was created in the last two or three years of the communist dictatorship, as part of Albania's foreign debt. Besides a negative balance in clearing trade, this debt included a credit of $5 million granted to Albania by the Chinese Government in 1990, besides debts to private Chinese firms left by the former foreign trade enterprises. Our hosts did not broach the question of the debt, but it was mentioned by President Berisha, who asked President Jiang Zemin for negotiations to start restructuring the debt and finding a technical solution. The president, the chairman of the National Assembly, the minister of the economy, and other senior Chinese officials entirely supported this request, and stressed that this debt does not in any way constitute an obstacle to the development of closer relations with our country. The president's spokesman says that KOHA JONE is instructed to publish such reports by the political forces that dictate to this newspaper, which view the real success of President Berisha's visit to China with blind jealousy.

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Albania: Court Chairmen Assigned Police Protection

AU1801171796 Tirana Radio Tirana Network in Albanian 1430 GMT 18 Jan 96

[FBIS Translated Text] All court chairmen in the Republic of Albania, who are estimated to number 45, will have an escort, an accompanying police bodyguard to protect them. This decision was taken by the Justice Ministry following the explosion planted at the house of Tirana Court Chairman Qazim Gjonaj a week ago. The protest by 40 Tirana Court judges was also an incentive for the ministry to take this decision.

Albania: Stockholder 'Blocs' in Privatized Industry

AU1501103796 Tirana KOHA JONE in Albanian 13 Jan 96 p 15

[Interview with Berzh Piranian, director of public privatization, by M.B.; date and place not given: "Blocs of Stockholders Consolidated"]

[FBIS Translated Text] [M.B.] Now that a relatively long time has elapsed, is it possible to draw firm conclusions about the first privatized companies and enterprises?

[Piranian] The first 20 enterprises, in which I think privatization has been relatively successful, have taught us lessons about how to proceed in the future, but it has also become clearer to people where they can use their bonds to ensure the best possible profit. Bonds have been valued differently in different enterprises, and the most successful enterprises have been in Elbasan District (the engineering works and the firebrick kiln). At present, future stockholders are now gathering in blocs, and Finance Ministry representatives have also been present at their meetings, even though the state is no longer involved following the sale of the enterprises, and power is in the hands of the stockholders.

[M.B.] Following these meetings, what problems have emerged among the stockholders?

[Piranian] It must be admitted that there have been plenty of problems because this is a new field. We are working to accumulate experience. Also, privatization has been on a massive scale. There have been problems establishing the capital value of land, because the Commission for the Restitution of Property, the National Privatization Agency, and the Public Services Directorate have all been involved. Coordination has sometimes not been what it should be.

[M.B.] But among the stockholders themselves?

[Piranian] The problem is bringing future shareholders into agreement with one another, because there are cases in which 100 or 200 people become owners of a single property. It is not easy to unify their thinking. The Finance Ministry has therefore created its Postprivatization Department [Sektori i Post-Privatizimit] to help in the field of legislation and in the management of these stockholding companies.

[M.B.] From the information you possess, have there been efforts to set these now privatized enterprises to work?

[Piranian] The information so far is in general positive, but there have been worrying reports. In one case, the stockholders did not succeed in finding a common language, while those enterprises which possess majority stockholders have begun work normally, with the aim of starting production.

[M.B.] Will the state still help with credit or technical assistance, considering that this is an unfamiliar field?

[Piranian] Of course. The new Postprivatization Department that I mentioned, which follows the progress of these stockholding companies, will help. A fund has also been created with the surplus proceeds that the state has earned from privatizing enterprises and this has been entered into the budget of the Public Services Directorate. There are also various aid funds from abroad, to contribute to the progress of privatization. These are used according to legislation, with the help of the banks and on the basis of credit regulations. To make use of these funds, one must have a business plan, and so forth.

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Bulgaria: Videnov Rejects Accusations Against Advisers

AU1901071396 Sofia KONTINENT in Bulgarian 13-14 Jan 96 p 2

[Unattributed report on news conference by Prime Minister Zhan Videnov in Sofia on 12 January; identities of questioners not given]

[FBIS Translated Text] [Question] Mr. Videnov, have you already thought about replacements for Ministers Tsochev and Chichibaba?

[Videnov] Yes. Over the last few days I have been thinking about the candidates whom I will propose to occupy the posts formerly held by Ministers Tsochev and Chichibaba and exercise their constitutional powers. Of course, before these candidates are made public, there has to be a further round of political consultations and a political decision, which I hope will be made by the Democratic Left next week. We intend to complete this necessary and useful process as soon as possible.

[Question] Will you be looking for experts or will you prefer political figures?

[Videnov] There is no reason to separate these two qualities and there is no reason why one statesmanlike individual cannot combine both, and I will try to achieve this in the candidates whom I choose for the posts vacated by Ministers Tsochev and Chichibaba. Incidentally, both of the latter succeeded to a great extent in combining these two qualities in their work last year. I will try to guarantee that their successors do the same.

[Question] What is the most important thing that you found out from the vote of confidence that parliament gave you, about yourself, the government, the left wing, and the opposition?

[Videnov] I will have to make this general assessment after an in-depth analysis of the Democratic Left's year-long administration, both through the government and through parliament. It is planned to make this analysis in February or March. I can only comment that I see a great distinction between a vote of confidence in the political and moral senses. When it is a question of statesmanlike behavior, the weaknesses of human nature very often reveal themselves in their full light and it is the greatest political responsibility to combine these apparently incompatible aspects in one.

[Question] Mr. Videnov, tomorrow the Sofia organization of the Bulgarian Socialist Party [BSP] will also be discussing possible changes in the government and is likely to state its views on certain candidatures. Might you accept their point of view?

[Videnov] I will remind you of a basic provision of the Constitution (which it will not be immodest of me to remind you that I signed), that the composition of the cabinet and nominations for it are the prime minister's prerogative. The BSP Supreme Council and the Executive Councils of the Aleksandur Stamboliyski Bulgarian National Agrarian Union [BZNS] and the Ecoglasnost Political Club, together with the parliamentary group, may state their views on my proposals in advance. Individual deputies will also have a chance to state their views in the parliamentary debating chamber. The democratic system is regulated by the Constitution and no other procedure is possible. In any case, all well meaning and responsible views will get a hearing and will naturally be taken into consideration as far as possible.

[Question] Will there be any changes in your team of advisers?

[Videnov] The advisers are not ministers and will never be ministers. There is no connection between the two.

[Question] Mr. Videnov, Andrey Lukanov has recently stepped up his media appearances and has been offering you comments and advice. How are you thinking of reacting to this, given that he makes the proviso that he does not seek a confrontation with you, since you are socialists and colleagues, he a former prime minister and you the present one?

[Videnov] My desire is the same and, inasmuch as Mr. Lukanov evidently detests the duties of an adviser, I do not consider that I am entitled either to force my own advice upon him or to listen, follow, or obey any pieces of advice that run counter to my own views.

[Question] You have never made any public statement on your views on the direct or indirect connections of people in your team with the Orion group. Lyubomir Kolarov [chairman of the Posts and Telecommunications Committee] and Mikhail Danov are senior servants of the state, while Mr. Raydovski is head of your own press center. So far he has issued no declaration that he has suspended participation in his company or anything similar.

[Videnov] As far as I know, this group does not exist in the economic or juridical sense. It is simply a group of friends, to which some of the people whom you have mentioned belong. In carrying out their state functions, I am sure that they have fulfilled all the legal requirements prohibiting them from combining these activities with business functions. From this point of view, I see no connection, I deny any connection, and I reject the insinuations on this issue regarding the government of the Democratic Left, Orion, Multigroup, Tron, and so on.

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[Question] Before you accepted the two minister's resignations, did you assure yourself that they did not result from pressure applied by certain circles in the BSP?

[Videnov] Both ministers told me that one of the motives for their resignation was the lack of confidence and lack of assistance that they had received in their work during the last year.

[Question] Mr. Videnov, on Saturday 6 January, at the meeting of the BSP Executive Bureau, you promised structural changes in the cabinet. Did you promise only these two resignations, so as to win support in the National Assembly debating chamber, or may we expect more?

[Videnov] You will have to read the SEGA weekly to learn the precise contents of the debates at the Executive Bureau's meeting last Saturday. I do not yet have the shorthand transcript and the stenography office tells me that it is still being prepared. Accordingly, I will make no comment on your question and I do not know if the quote is accurate. I did not eavesdrop on this meeting; I merely took part in it.

[Question] What is your comment on the criticisms of your government within the Democratic Left? Now that the vote on the grain crisis is over, what do you intend to do?

[Videnov] The government's commitments in relation to the grain problem remain unchanged; they are connected with price control, stimulating grain production, amassing adequate reserves, and accumulating sufficient funds to stabilize the market. As for the criticisms, I intend to answer them in greater detail, looking forward to the future rather than back to the past. When the first year of the Democratic Left's administration has elapsed, I will present my conclusions to the widest possible cross section of the Democratic Left's leaderships.

[Question] What is your personal assessment of the work done by Ministers Tsochev and Chichibaba?

[Videnov] Both ministers gave their best in two exceptionally difficult departments of state. Unnecessary, unfair, and harmful obstacles were placed in their path, most of which they managed to overcome in a worthy and honorable manner. Like every member of the cabinet, myself included, they did make some mistakes, but I share the general assessment of their work, which is admirable and positive in a human, civic, political, and statesmanlike sense.

(The text of the interview is abridged and contains questions asked by journalists from various media.)

Bulgaria: Videnov's 'Silence,' Isolation Viewed

AU1901072296 Sofia SEGA in Bulgarian 11-17 Jan 96 pp 14-17

[Article by Andrey Siderov: "Videnov's Silence"]

[FBIS Translated Text] If silence is golden, why does it create so many problems for the prime minister?

On Friday and Saturday he suffered his first internal party defeat—the Bulgarian Socialist Party [BSP] Executive Bureau refused to adopt a decision against DUMA. Of course, the proposal did not come from the prime minister, but it could hardly be voiced without his approval.

This could be expected. True, the BSP Executive Bureau was exasperated with Prodev [DUMA chief editor], but there are certain positions no sensible politician could adopt. At present, it is a losing position to be on the barricade together with Krivoshiev, Danov, Raydovski, and Gyurova. Justly or not, "Orion" became a bad word in Bulgarian society.

Only six months ago, Videnov's authority appeared to be unshakable. He was supported by all—the voters, the majority in parliament, and the independent newspapers. Afterward, the mistakes began.

What happened in Topenergy? How could bandits usurp the services sphere? Who gave DUMA to a cattle baron as a present? Is it true that "Orion" stole the money of banker Tilev? What disturbed the small privatization competition? Who is this Gyurova and who is pulling her strings?

Those questions accumulated, disturbing the sleep of the party elite. If Zhan would have spoken on time, if he would have told the truth and assumed a clear position, perhaps things would not have gone that far. However, Zhan kept silent—an insulted or guilty silence—and the fire developed, engulfing the party from within. At present the party is even more dissatisfied with the cabinet than the public as a whole.

When Zhan finally opened his mouth, he attributed everything to a plot. A massive attack against the cabinet was evident at the beginning of 1996, he said in the report that he decided rather surprisingly to read at the Executive Bureau meeting at the end of last week. In addition, he pointed out that "factors are acting in a planned fashion and through organized subjective agents," i.e., through fabricating scandals in the mass media.

Perhaps he is right, because this is the first government that tried to stop major bureaucrats and certain groups

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from robbing the state. The government violated such powerful interests that it had to draw some fire.

However, the people did not notice or understand why Videnov kept silent about Topenergy, Khimko, and the banks. Nevertheless, the people noticed something else—that a new "party" group is moving into the vacated place, that it is even more crude and insolent than the rest, and that it has penetrated all spheres of government. They also noticed that this new group is using the magic formula "whoever is against us is against Zhan Videnov," and that Videnov does not react to this claim.

Thus, it is Zhan's silence that is responsible for everything. This master of poker and chess, as THE NEW YORK TIMES called him, who actually uses the sword best, is applying an Asian style of leadership and wrecks the nerves of the high-ranking party officials.

"Zhan Videnov is striving to form a system of personal power, which is to be shared with as few people as possible," Plamen Nikolov, an aide to Videnov in the recent past, explains.

He was the first to complain that Videnov only trusts a few advisers. If we could compare the prime minister to Don Corleone, then his consigliere is Krasimir Raydovski, chief of the Press Center. Raydovski's employee—Nevena Gyurova—is his inner party Mata Hari, although it is not clear even today for whom she is working.

It appears that precisely Videnov's merits are doing him the greatest disservice. He is modest and ascetic, and appears to be convinced that his people are like him in this area. He never asked the secret services about this, and consequently, does not know that he is being controlled through denunciations and the most elementary militia tricks. Precisely like Filip Dimitrov, he stands behind his people until the end. He even swallowed silently the cruel pill Nevena Gyurova served him with her Radio Free Europe interview.

One way or another, his qualities, which are excellent in everyday life, hermetically seal him within a close circle of personally loyal people. It appears that Zhan really believes "Orion." It appears that he also believes those who bother him every day with paranoid schemes like the "Sliver" plan. The following are some of them:

The "Wet Fox" plan: This is an active measure aimed at toppling the cabinet, which must develop as a chain reaction in schools, hospitals, enterprises, transportation systems, and mines. The plan was conceived by the Confederation of Independent Trade Unions in Bulgaria and the Podkrepa Labor Confederation, but behind it is the BSP opposition.

The "Acapulco" plan: This is a plan to destabilize the government through intrigues and personal insinuations, in cooperation with the Presidency. According to Rumen Spasov, until recently "Orion" chief, Andrey Lukanov, Kostadin Chakurov, Andrey Raychev, Viza Nedyalkova, Viktor Mikhaylov, Velislava Dureva, and many others are in the "Acapulco" staff.

If this is true, it could have been revealed only through eavesdropping. Perhaps this is Videnov's main weakness—he has isolated himself so much that he now relies mainly on internal intelligence. For inexperienced people this can be pure poison, because obviously, the sources of this information are involved in another plot.

The "Torbalan" plan: This is a plan to startle the prime minister constantly with plots and secret schemes, until he finally loses all touch with reality and begins to view everyone with suspicion. A small circle of mediocre half-children, entangled in their own imagination, scare each other, and the more they scare each other, the more they need to scare others. They scare each other in order not to be afraid.

Not that Zhan hates to speak, but he prefers to zip his mouth up, prior to facing this hostile and perfidious world.

One year ago, he said to journalists, "I am at your disposal." However, today it is easier to interview Jesus Christ than Zhan Videnov. A few days ago, the BSP Executive Bureau virtually repeated Filip Dimitrov's blunder in accusing the newspapers of everything. Those are the same newspapers which, until three months ago, supported Videnov. Why are they not supporting him now?

In order to understand the answer to this question Zhan Videnov must look at his Press Center. It has not provided any public information for a long time, but on the other hand, has involved itself in naive rather than sly movements. Each of those moves creates more insulted people, and evokes lack of respect.

The critical point of the inner-party dissatisfaction will be reached in a week or two. If Zhan again succeeds in prevailing without changing anything in or around himself, this could prove fatal for him, because the seed has been sown and sooner or later the fruit will show. We only have to count the months....

Bulgaria: BSP Leader: Cabinet Reshuffle Necessary

AU1801133996 Sofia SEGA in Bulgarian 11-17 Jan 96 p 18

[Interview with Andrey Lukanov, National Assembly member and member of BSP Supreme Council, by

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Mira Belcheva; place and date not given: "Andrey Lukanov: 'One Should Go Further Than Replacing a Few Ministers'"]

[FBIS Translated Text] [Belcheva] Mr. Lukanov, is there a tension within the Bulgarian Socialist Party [BSP]?

[Lukanov] This is something that is obvious to the naked eye, but it is hardly fatal—the party hardly faces a split, as some people are forecasting. The main reason is related to the quality of governing that the BSP is demonstrating so far.

Of course, there are other more or less important reasons for the tension—the intrigues, the struggle for power, and the penetration of materialistic influences and interests—something that complicates the picture even more. The important thing is to justify the expectations of the voters who voted for the BSP.

[Belcheva] Can the BSP meet those expectations?

[Lukanov] I think so. However, so far it has not been proven in a convincing manner. This especially applies to the struggle against crime. In this area the results are rather unsatisfactory, as many people within the BSP admit. The grain problem was an unpleasant surprise, which testifies to the administrative inadequacy at certain important echelons of the executive power. I think that there also were certain failures in the cadre policy. Personally, I was disturbed by a certain inexplicable bias toward a certain economic group, which obviously is an unsuitable partner for the BSP.

[Belcheva] Do you mean "Orion?" Did the BSP not go too far regarding this group?

[Lukanov] Yes, indeed, certain leading factors within the BSP went too far. This was also pointed out at the national party conference. The fact that precisely this group was allowed to become BSP's partner in DUMA is indicative. Dissolving this marriage will be an admission that the BSP went too far. However, recently the "Orion" lobby has been waging a fierce attack against all those who point out this unpleasant fact. The thesis is being promoted that whoever fights against "Orion" is fighting against Videnov's cabinet. This is an absurd thesis.

The situation emerged in which a person like Stefan Prodev, for example [DUMA chief editor], is said to be a person who has nothing to do in the BSP, and that Nora Ananieva [deputy chairman of the National Assembly], is an accidental figure within the BSP. Instead of reacting in a categorical manner, even with a measure of emotion, the BSP leadership is maintaining a guilty silence.

[Belcheva] Did the BSP not become a hostage of the "Orion" interests?

[Lukanov] It is difficult to turn a major political organization into a hostage. However, I do not remember that any other economic entity succeeded to infiltrate the BSP structures to such a degree. In this sense the problem is too serious, and it must be resolved quickly and radically.

[Belcheva] Did the "Orion" scandal and everything that happened recently cast a shadow on the BSP authority? Do you think that the BSP image has been hurt?

[Lukanov] I would not make this conclusion at this stage. However, if radical measures are not adopted, this sinful relationship with "Orion" could affect the BSP's moral authority. This authority is the BSP's basic capital and the party cannot allow anyone to waste it, because it has been accumulated by many generations of Socialists, and is not the private property of anyone.

[Belcheva] Is it necessary to reshuffle the cabinet?

[Lukanov] Yes. However, I personally think that at this stage we must go further than replacing a few ministers. A comprehensive assessment of the policy that is being conducted must be made.

[Belcheva] Are you hinting about a second cabinet in this BSP's mandate?

[Lukanov] I would not say that the time for this has come. I would rather say that if the present inadequate efficiency in the BSP's administration continues in the next few months, then by all means in 1996 the time will come for more serious changes in the executive power. In this sense I agree with Aleksandur Lilov that it is not terrible to make changes. The terrible thing is to be late in making those changes.

[Belcheva] Why did the rumor emerge that you and Lilov are plotting against Prime Minister Videnov?

[Lukanov] Certain active measures experts in the corridors of the executive power simply are afraid of Mr. Lilov and me, and not because we are plotting. We both have a sufficiently long party seniority and a sense of responsibility in order to use such methods. If we have something to say to our comrades in the party we will say it openly. Precisely this is why the story about a plot has been created and lies have been disseminated regarding a secret dinner or lunch. In addition, the thesis that Mr. Lilov and I are irreconcilable enemies that cannot have the same opinion on any matter, also is wrong. We often have had the same opinion on important issues, especially if this was necessary in order to protect the BSP's chance to remain the basic political

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force in the country and govern it long enough so that the Bulgarian people could feel the positive results.

[Belcheva] What is Mr. Videnov's status in the party right now?

[Lukanov] I think that he continues to enjoy a certain authority. However, he would err if he fails to adopt measures leading to improving the situation within the party and increasing the government's efficiency.

Bulgaria: Democratic Left Meets on Cabinet Changes

AU1801191196 Sofia STANDART NEWS in Bulgarian 16 Jan 96 pp 1-2

[Report by Neda Popova and Mariya Andonova: "We Are Losing 5 Million Tons of Oil Since Tsochev Resigned"]

[FBIS Translated Text] On 15 January the consultative political council of the Democratic Left parliamentary group held an urgent meeting because of problems that cropped up only hours after Deputy Prime Minister Kiril Tsochev's and Agriculture Minister Vasil Chichibaba's resignations.

Moscow unexpectedly postponed the negotiations on supplying petroleum to Bulgaria. According to sources in the Bulgarian Embassy in Moscow, people in Russia are alarmed about Tsochev's removal from his post. Yesterday Moscow was supposed to decide who was to deliver 5 million metric tons of oil to the Neftokhim Refinery in Burgas. It is likely that the latest blunder is one of the reasons why Zhan Videnov is hastening to hold talks with his coalition partners on new people in his team.

Following their meeting with Zhan Videnov yesterday, Stefan Gaytandzhiev, president of the Ecoglasnost Political Club, and Svetoslav Shivarov, leader of the Aleksandur Stamboliyski Bulgarian National Agrarian Union [BZNS], announced that they discussed issues connected with the coalition's administration. We are political partners, Shivarov explained to the journalists, so it is quite natural for us to convene the consultative council if necessary. He did not say whether his party will insist on retaining its quota of posts by keeping control of the Agriculture Ministry. Sources in the BSP [Bulgarian Socialist Party] believe that it is not obligatory for the Aleksandur Stamboliyski BZNS to keep the Agriculture Ministry; according to them, Zhan Videnov has decided that Socialists will occupy Tsochev's and Chichibaba's posts.

We are looking for the most suitable candidates, people who will fulfill the Democratic Left's program, Gaytandzhiev said. Our people have no ambitions to hold either the Agriculture Ministry or the Trade Ministry at this stage, he admitted.

On Saturday, 20 January, the BSP's coalition partners will hold meetings of their own parties to decide on their attitudes toward the administration. We reached an understanding with our partners on a common position regarding the forthcoming changes, Yanaki Stoilov, deputy chairman of the BSP Supreme Council, said.

Changes in the Democratic Left's program can be expected within days, and they will take into account the developments that occurred last year, STANDART NEWS learned yesterday from sources at BSP headquarters.

Bulgaria: Tribute to Outgoing U.S. Ambassador

AU1801184096 Sofia SEGA in Bulgarian 11-17 Jan 96 p 25

[Commentary by Ivo Stefanov: "Montgomery Made Career"]

[FBIS Translated Text] William Montgomery, who was known to everyone in Bulgaria, departed on 6 January for Bosnia and perhaps also for major U.S. politics. The post of deputy coordinator for the implementation of the Dayton agreement on Bosnia could propel him up to the highest echelons of the State Department.

When confirmed as ambassador to Sofia in 1993, he told the Senate Foreign Affairs Committee: "The Bulgarian Constitution is not ideal. It contains certain clauses that raise objections among those who deal with human rights.... We would like to see the Constitution amended." This was a reply to the question whether the constitutional ban on creating ethnic parties in Bulgaria contradicts democracy. Montgomery's words triggered a scandal in Bulgaria, but he was only trying to get the Committee's conformation.

"The discreet but tangible defense of people, as Mr. Montgomery protected Bulgarian dissidents," Boyko Proychev, a former political adviser to Dr. Konstantin Trenchev, recalls. During his former term in Bulgaria as a deputy head of the U.S. Embassy, 1988-91, Mr. Montgomery appeared at some of the Union of Democratic Forces [SDS] rallies together with Sol Polansky. He was accused of supporting the "cowboy style in diplomacy," because of his service in U.S. military intelligence.

As ambassador, Mr. Montgomery proved to be a great pragmatist. He deideologized the U.S. presence in Bulgaria and turned his back on the "daggers" in the SDS [Filip Dimitrov's hard core of supporters], which would have been unthinkable during Mr. Polansky's

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tenure. He discreetly helped Dimitur Ludzhev in his attempt to form a cabinet, but did not fully commit himself. During his entire tenure, he sought contacts with various political circles.

During his tenure, four socialist ministers made official visits to the United States together with President Zhelev. Upon his departure, Mr. Montgomery gave numerous interviews, in which he did not accuse the socialist cabinet personally of rejecting foreign capital, but rather directed his reproach to the previous six cabinets. Mr. Montgomery described his work with the "Videnov cabinet' as "cooperation," although he did not spare his criticism over the failed Sheraton deal.

Montgomery put a human face to the U.S. diplomatic presence in Bulgaria. On weekends, he could be seen walking the Sofia streets in a leather jacket and jeans, holding the hand of his beautiful wife Lynn. He spent Christmas in the village of Momchilovtsi in the Rhodopes Mountains, at the tavern of Nikola Petrov. In addition to her charity work, Lynn Montgomery often attended aerobics classes with her Bulgarian friends and even graduated from Blagoevgrad University.

Most of all, Montgomery knew Bulgaria well and was a realist. He did a good job and this is probably why he was noticed by the State Department. He will probably be replaced by Mrs. Avis Bolen [spelling as transliterated], at present, the number two at the U.S. Embassy in Paris.

Bulgaria: Army Chief on Resignations, Weapons Theft

AU1601162196 Sofia TRUD in Bulgarian 11 Jan 96 p 9

[Interview with Colonel General Tsvetan Totomirov, chief of the Bulgarian Army General Staff, by Vasil Lyutskanov; place and date not given: "The Officers Who Are Thinking of Leaving the Army Are Making a Mistake"]

[FBIS Translated Excerpt] [Passage omitted] [Lyutskanov] General Totomirov, it has already been announced that when the commands of the Ground Troops, the Air Force, and the Navy are downgraded to main headquarters, only 36 generals and colonels will be reduced in rank, while retaining their former salaries. Will this make it necessary to reduce the officers' posts in combat units?

[Totomirov] The introduction of the new Army structures does not involve any cuts in the officers corps, because even now it is considerably under strength. As regards personnel numbers, many of the new structures have been brought up to the quotas envisaged before the Army reform. Accordingly, there are no grounds for traumas or concern.

[Lyutskanov] How will you retain the young officers who are leaving the Army on the pretext of joining political parties?

[Totomirov] Last year about 90 young officers left the Army for political reasons. Between September and the end of December 1995, 26 officers submitted reports stating that they were members of various parties. In my opinion, the main reason why a large number of young officers are leaving the Army is a lack of motivation to continue their service: They can see no good prospects for fulfilling themselves. At the moment, about 4,500 Army servicemen have no quarters. I have repeatedly pointed out that a young lieutenant in a remote garrison, who has to live in an apartment rented on the free market and whose wife is unemployed, can barely make ends meet on his officer's pay. Therefore, some of them find that the only solution is to leave the army by joining a political party.

[Lyutskanov] Do you believe that the new Defense Act will improve the incentives for military service?

[Totomirov] Many of the questions connected with motivating the officers for army service will indeed be resolved in practice by the new Defense Act. As we all know, it envisages that as of 1 January 1997 the minimum officer's pay will be at least twice the average monthly salary in the public sector, as calculated by the National Statistical Institute. In addition, they will receive additional remuneration based on length of service and allowances for service in conditions harmful to the health, under procedures to be determined by the government. The wives or husbands of serving personnel who have to give up their jobs in connection with postings from one place to another will be compensated by being paid the applicable minimum national wage for a period of 12 months. [passage omitted]

[Lyutskanov] It has been established that all the major thefts of weapons and ammunition committed during the last year have involved the complicity of regular servicemen or soldiers, who have links with fences from criminal groups....

[Totomirov] It is true that the investigation of thefts of army property during the last few years has established that they were mostly committed by former servicemen or serving personnel in collaboration with civilians. The thefts most often occurred in stores, testing grounds, airfields, and firing ranges that are remote from the barracks. Whereas the items stolen mainly used to be cables, military equipment and property, in 1995 thefts of weapons and ammunition showed a rising trend. The

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cases of pistols that disappeared from the tank brigade in Stara Banya, the theft of explosives from the Army unit in Pazardzhik, and the first armed attack on a military installation near Sandanski provide eloquent evidence of this. [passage omitted]

[Lyutskanov] Senior army officers have offered the justification that the units that were robbed are situated on the international trafficking route for weapons, narcotics, and fuel.

[Totomirov] I would like to point that the thefts occur in places where attitudes are slack toward army service. No international traffickers can get into an Army unit where army discipline is high and the regulations are strictly observed. In a number of cases, guards who were carrying out their duties correctly prevented robberies, a considerable number of miscreants were arrested, while others suffered severely for their crimes. In an attack on a military installation in Zmeevo, one of the attackers was wounded, while in the military stores in the village of Chervinka a serviceman was killed while attempting to carry out a robbery in the company of civilians. I want to reiterate that our soldiers carry live rounds and are entitled to use their weapons if the installation that they are guarding is attacked. The bandits should not forget this.

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Slovakia: Toth Protests Article in U.S. Daily

AU1801172596 Bratislava NARODNA OBRODA in Slovak 17 Jan 96 p 11

[Report by TASR: "Julius Toth Dissociates Himself Vigorously From WALL STREET JOURNAL Article"]

[FBIS Translated Text] Kosice—"I vigorously protest against my person being dragged into such a self-serving and tendentiously conceived article and against my name being linked to fabricated assessments and criticism of current developments in Slovakia," states Julius Toth, president of the DMD Holding state shareholding company, in a statement in which he responds to an article published by THE WALL STREET JOURNAL on 11 January. On Saturday, 13 January, the article was reprinted by some Slovak dailies, including NARODNA OBRODA.

"Quite the contrary, I am convinced that the positive development in economic results in our country is evidently a consequence of the good work of the present government and Prime Minister Meciar, for which I have expressed support on a number of occasions," Julius Toth states further. He dissociates himself in principle from statements cited in the article "Meciar's Power Games in Slovakia Are Spreading Fears of Breakdown of Democracy," the authorship of which Neil King, the author of the article, ascribes to Julius Toth. "I consider tearing out of context some ideas from my interview, which took place in Kosice and dealt with the DMD Holding company and the prognoses of economic development, the misinterpretation of these ideas, and their self-serving incorporation into an article with a completely different central theme to be an expression of Neil King's untrustworthiness," writes Julius Toth in his reaction to THE WALL STREET JOURNAL article.

[On the same day, on page 2, NARODNA OBRODA carries a 400-word report by Juraj Alner on the 16 January meeting of the Slovak Cabinet, which includes the following passage: "Minister of Economy Jan Ducky submitted a proposal to recall Julius Toth from the post of government commissioner for the engineering industry. Jozef Sucha, the minister's spokesman, said about this: 'With the founding of the [DMD] Holding, the post of government commissioner has been consummated and has become superfluous. He will continue to execute the post of chief of the Holding.'"]

Slovakia: SIS Undergoing 'General Reorganization'

AU1801163996 Bratislava NARODNA OBRODA in Slovak 17 Jan 96 pp 1-2

[Report by "fe": "Declassification of the Slovak Information Service Is Supposedly Assuming Gigantic Dimensions"]

[FBIS Translated Text] Bratislava—From well-informed sources close to the Slovak Information Service [SIS], we have managed to obtain information on the general reorganization that the secret service is undergoing. Former StB [State Security Corps, communist-era secret service] cadres are being reinstalled in its structures. According to our information, Jaroslav K., the last regional chief of the 12th StB Administration, has been working in the SIS for a few months. It is possible that the reorganization not only is aimed at installing former StB cadres, but also is motivated by the endeavor to complicate the investigation of Michal Kovac Jr.'s abduction to Austria. The aim could be, for example, to cover SIS members who supposedly participated in the case. According to all indications, these were, above all, Julius I., Svatopluk R., and Michal I. The transfer of the vehicles Hyundai Lantra [license plate] MID 07-71, belonging to L.K., and Ford Mondeo DKB 92-41, belonging to J.J., also fits into this scenario. According to our information, some members of the SIS leadership in Banska Bystrica and Kosice have been offered lucrative jobs in Bratislava within the framework of the reorganization. Let us add that some information of the daily SME published in previous days, concerning the movement of cars supposedly belonging to the SIS on the territory of Austria or the address where SIS vehicles are being garaged, have not been denied to date.

Slovakia: Territorial Division Plan Outlined

AU1801213996 Bratislava PRAVDA in Slovak 17 Jan 96 pp 1, 4

[Interview with Pavol Kacic, state secretary at the Slovak Ministry of Interior, by Antonia Vymazalova; place and date not given: "There Will Be Eight Regions and 80-90 Districts"]

[FBIS Translated Text] The Movement for a Democratic Slovakia [HZDS] has already given unambiguous support to the proposal to divide Slovakia into eight territorial units. The Slovak National Party [SNS] supports the model of three regions plus Bratislava, while the Association of Workers of Slovakia [ZRS] would prefer it if we stayed with the current division into 38 districts. The Union of Cities of the Slovak Republic insists on 16 counties. The Association of Towns and Villages of

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Slovakia [ZMOS] has not yet formulated its exact position because first it wants to know the powers to be vested in the new administrative entities and the tasks they are to fulfill. In the interest of economy, it supports the lowest possible number of territorial units. Because the Cabinet is to decide on the proposal in February and parliament shortly thereafter, we asked engineer Pavol Kacic, state secretary at the Ministry of Interior, why the ministry is preparing the variant of eight regions, including Bratislava.

[Kacic] We are looking for the optimal solution for Slovakia. Since 1993, when the independent Slovak Republic came into being, two variants of territorial and administrative arrangement have been preferred from the viewpoint of practicability and efficiency. The first was the model of three regions plus Bratislava and 38 districts, four of them Bratislava municipal districts. The other model, on which the Interior Ministry is now putting the finishing touches, is that of eight regions. As regards terminology, the new higher units will be called regions [kraje] and the lower units, in which first-level [prvostupnove] state administration bodies will reside, will be called districts [okresy]. We are now considering which of the two models is more suitable. We are incorporating into the working blueprint the input we have received and are studying the justification of this input. We are proceeding according to the criteria the government approved last summer. Interior Ministry staff, experts, and the Government Council for Public Administration participated in the work on these criteria. We have met ZMOS three times. At the last ZMOS meeting in Strbske Pleso, ZMOS representatives said that they basically agree with the model of eight regions because they prefer the lowest possible number of units. As regards the number of districts, however, they recommended keeping 121 districts, which is the present number of subdistricts [obvody]. At a meeting of the ZMOS Council in Banska Bystrica at the beginning of January, most regional associations recommended either eight regions or the three plus one model.

[Vymazalova] Which criteria carry the greatest weight in deciding?

[Kacic] We have consulted on these criteria with other institutions. At a session of the OECD in Paris, for example, we assimilated the view that the future region should have a population of between 600,000 and 700,000. We were looking for an optimal solution from the viewpoint of certain priorities, such as growth of intensification of industry, prospects of regional development, and natural ties, and arrived at the model of eight regions. The East Slovak region will be divided along the horizontal [east-west] line, with Presov and Kosice serving as regional capitals. In Central Slovakia, Banska Bystrica and Zilina remain regional capitals. Here, too, the dividing line is horizontal. The West Slovak region had to be divided into more than two parts. From the viewpoint of dynamism, it has been developing more rapidly after 1989 than the East and Central Slovak regions. Also from the viewpoint of the size of the population, we came to the conclusion that the most ideal solution would be to divide it into three parts. Their natural centers are Nitra, Trnava, and Trencin.

[Vymazalova] There exist opinions, supported, for example, by the ZRS, leaning toward the preservation of 38 districts.

[Kacic] Each of the 38 districts contains at least two towns of similar significance. So far, the 38 district capitals have been developing dynamically to the detriment of other towns in the district. If we want the other areas to also develop more rapidly, we have to give them the opportunity. There should be about 80 to 90 districts, but their number may still increase somewhat. This issue still remains open. The last working blueprint was drafted in two versions, one providing for 68 districts and one for 81. My opinion is that, eventually, there will probably be 90 districts. ZMOS proposes 121 districts so that the distance between state administration and the citizen does not increase. In some cases where it will be warranted, we consider keeping certain components of district offices, in the form of present subdistrict offices, for example, where they are now, but without the status of independent legal entities. We are incorporating into the working version of the blueprint all comments we have received by mid-January. The final bill on territorial and administrative arrangement, which will be consulted on once again and, subsequently, submitted for appraisal, will be prepared by the Ministry so that it can be submitted to the government by the end of January. Part and parcel of the bill will be amendments to about 35 laws. In summer, the bill should be submitted to parliament. Meanwhile, it will be consulted on in Strasbourg. It could start being implemented as of 1 August.

[Vymazalova] Why has the reverse procedure been opted for in drafting the material than originally planned? Initially, there was talk about the need to integrate state administration offices and transfer powers to self-administration bodies first and about deciding on the territorial and administrative arrangement only thereafter. Now the public administration reform starts with territorial arrangement.

[Kacic] Basically, this will all be part of one process. The timetables of the law on territorial and administra-

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tive arrangement and, following up on it, of the integration of state administration offices are actually clear and in the second half of 1996 will meet at one point of intersection. We are starting with territorial arrangement because it is the more complicated issue and entails far more work. The new territorial arrangement will be important also from the viewpoint of transfer of powers and the future position of self-administration bodies, which will be more significant. Once the new territorial and administrative arrangement is in place, and we have proposed this also to ZMOS, it will be possible for the so-called higher territorial self-administered units to be established in 1997.

[Vymazalova] When should the self-administration of towns and communities come into being?

[Kacic] This issue is still open. We respect the opinion of ZMOS, which does not want to create the new self-administrations until 1998, during local elections, when members of the small parliaments of higher territorial entities are to be elected in addition to mayors and deputies of municipal and local authorities. The number of these small parliaments probably will not be identical with the number of regions. We are to prepare the documents pertaining to self-administration by the end of 1996.

[Vymazalova] What will be the relationship between the small regional parliaments and the regional state administration?

[Kacic] It will be a relationship of partnership, such as exists today between self-administration and state administration bodies, rather than one of superiority and subordination. The state will retain powers that are common all over the world to be able to exercise certain control and supervision over the efficient use of funds, and the like. Its role will be one of an observer who can step in when something fails somewhere. The main issue will be a bilateral information flow. If the public administration reform is implemented by the end of 1998, Slovakia will have an enormous future for its dynamic development.

[Vymazalova] When are the powers of the state expected to be transferred to municipal and local self-administration bodies?

[Kacic] This issue will surely be the subject of big discussions because the system of transfer of powers cannot be separated from the transfer of financial resources. There cannot be any powers without money. When the state is collecting money within the framework of tax laws, it is centralizing it, but it will let this money go along with powers. On the other hand, the communities must be prepared to secure their activity economically. The process of integration of communities into larger entities, based on voluntariness, should therefore be carried out.

[On 17 January on page 4, Bratislava PRAVDA in Slovak publishes a three-by-four-inch map of Slovakia with an outline of the borders of the eight regions—Bratislava, Nitra, Trnava, Trencin, Zilina, Banska Bystrica, Kosice, and Presov—per the Slovak Interior Ministry blueprint]

Slovakia: Finance Minister on '95 Economic Results

AU1901075396 Bratislava PRAVDA in Slovak 16 Jan 96 pp 1, 4

[Interview with Deputy Prime Minister and Finance Minister Sergej Kozlik by Eva Laukova; place and date not given: "Slovakia Managed Not To Live on Credit Last Year"]

[FBIS Translated Text] [Laukova] The year 1995 was a difficult one from the viewpoint of the Ministry of Finance. On the one hand, on the expenditure side, the budget for 1995 had been construed as a very austere one; on the other hand, on the revenue side, it provided for relatively dynamic growth of income. How did the fulfillment of the state budget actually develop last year?

[Kozlik] Compared with 1994, revenue increased 17.5 percent, of which tax revenue increased 22 percent. This means that, as regards budget relations, the whole miracle was based on the work of tax offices. On the other hand, within the framework of a certain political and social peace, we managed to rein in the revenue side, despite all lobbying. Overall, from the viewpoint of the development of the state budget, revenue amounted to 163 billion korunas [Sk] (the original plan was Sk146 billion), while expenditure amounted to Sk171 billion, compared with the original projection of Sk167 billion. According to preliminary data, the aggregate deficit of the state budget reached Sk8.3 billion, and we expect this figure to be slashed further after the state budget and the National Bank of Slovakia [NBS] settle their relations. The planned deficit of the state budget was Sk21 billion, and we have thus succeeded in reducing it by approximately Sk13 billion. In economic language this means that last year we managed to suppress fully the deficit of the government sector, which did not generate even one koruna of state debt. We succeeded in reducing the state debt by Sk5 billion, to approximately Sk140 billion. From the viewpoint of the fulfillment of the state budget, 1995 was the first year after 1990 when the Slovak Republic did not live on credit and managed to come to terms with the problems of the state debt.

[Laukova] What is the situation in the system of public budgets for last year?

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[Kozlik] The National Property Fund moved last year from a minus into a balanced position. According to preliminary data, the Social Security and Health Insurance Funds ended with a surplus of approximately Sk10 billion, and the same is true of the Employment Fund. These are outstanding results because, among the postsocialist countries, the Czech Republic is the only one in a similar situation and, as regards the countries of West Europe, I do not know a single one that would be in surplus, or a balanced position, from the viewpoint of public budgets. This is an outstanding result but, at the same time, a commitment for the future, at least in the medium term.

[Laukova] The results of the budget management have made it possible to reduce the upper value-added tax [VAT] rate from 25 percent to 23 percent and to move some items into the lower VAT rate. How are you going to compensate for the reduction in tax revenue in 1996?

[Kozlik] We suppose that we will be able to offset the decline in tax revenue in 1996, first and foremost, by GDP growth and influences on economic recovery, particularly in the sphere of tourism. In 1995, the number of foreign tourists coming to Slovakia went up 25 percent, while the number of tourists from Slovakia traveling abroad increased roughly 23 percent.

[Laukova] The level of the state budget deficit means that, in fiscal terms, we have moved into a plus position in relation to the GDP.

[Kozlik] We expect GDP growth to have reached up to 7 percent in 1995. Whereas in 1994 the main source of GDP growth was export, last year the distribution was even more. Export growth and the surplus in the balances of trade and payments accounted for about 20 percent of GDP growth, but growth of domestic consumption, gross investments, and tax revenue also made themselves felt. We expect this trend to continue this year. The development of investments, in particular, should become a more significant factor of GDP growth.

[Laukova] How did the rate of inflation develop, and what are the implications thereof for entrepreneurs?

[Kozlik] The 1995 rate of inflation represents 7.2 percent, which is the lowest figure of postsocialist countries. In the period to come, we expect the lowering of the inflation rate to continue to be one of the basic pillars of the economic policy of the state because we want to achieve competitive conditions comparable with those in the advanced West European countries. The attained level of inflation allowed the NBS to lower the discount rate from 9.75 percent to 8.8 percent, which means that we have returned to the original starting level of the year 1993. This means that the interest rates of the banking sphere in relation to the entrepreneurial sphere will go down as well. Hence, on the one hand, businesses' costs of developing their activities will go down and, on the other, it will be easier for them to repay their loans and interest to banks.

[Laukova] Tax offices did a very good job last year.

[Kozlik] They improved the identification of taxpayers and work in the administration of tax collection. However, an accompanying phenomenon of increased revenue has been growth in tax arrears. We must, of course, see to the growth of tax revenue and to limiting the shadow economy as much as possible. However, a certain balance is also needed—the fines and penalties must not have liquidationist effect. We have been implementing a new system of taxation, but, with the gradual establishment of this system in practice, we want to seek a different motivation, which will be pegged to the identification and collection of taxes, particularly to the collection of supplementary taxes, rather than to penalties and fines.

[Laukova] The tax burden of businessmen and corporations is enormous. Is it possible to expect that, the better off we become, the more we will be able to afford to cut taxes?

[Kozlik] We want to gradually alleviate the tax burden. The new tax brackets should take into consideration inflationary influences and reduce the tax burden of taxpayers. The other thing is that this depends on good development in the sphere of taxes in 1996. Depending on the actual development of revenue, we will decide on the extent of modifying the tax brackets. Within the framework of the law on the income tax, we also want to deal with some issues concerning incentives to invest, which means tax deductions but, above all, rewarding in some way the channeling of generated resources into the sphere of investments. This will be a very important law, harmonizing our legislation with EU conditions. We want to achieve its approval toward the end of the first half of 1996 so that it can go into effect on 1 January 1997.

Slovakia: Defense Holding Company Created

96CH0016A Prague PRAGUE POST in English 14 Nov 95 p 6

[Article by Brendan McNally: "Slovak Government Creates Central Holding Company for Defense Industry"]

[FBIS Transcribed Text] The Slovak government finally marked the end of efforts to privatize its massive military-industrial sector with the creation of the

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state-owned Defense Military Division (DMD) Holding Company for the defense industry.

Economics Ministry spokesman Jozef Sucha said DMD will initially represent at least 25 defense companies. These companies will provide the holding company's board members and "will put 34 percent of their shares into DMD (so that) the corporation will be able to keep a decisive stake in each firm and coordinate its activities."

The companies together will provide an estimated 12 billion Sk ($400 million) share capital for DMD. Sucha stressed that DMD will not manage these arms producers directly, but rather will "ensure (their) coordination and marketing."

Slovak defense contractors have fared poorly since the fall of communist rule in 1989. Losses in the Slovak defense industry are estimated at $170 million for 1994, and are expected to climb this year.

Under the Warsaw Pact, Slovakia built tanks and other armored vehicles for nearly all Comecon members' armies, as well as for Third World clients such as Syria, Angola, Iraq and Ethiopia. Nearly all of these markets, however, have either dried up or simply ceased to exist. While Slovak tank makers have made efforts to modernize their systems, they've had poor luck in selling them.

However, some Western defense contractors hoping to find Slovak partners fear that bringing the industry under DMD's centralized control will impede cooperation.

"In situations like this, the general director of the company you're working with can't cut a deal without the approval of someone from the government," complained one contractor, who spoke on condition of anonymity.

"It usually just gets lost and muddled. This is a very bad development—it means going back to the old system." Apparently, current negotiations with potential partners in Slovakia's most advanced factories are being postponed pending decisions from DMD.

Col. Zoltan Jasovsky, director of the Slovak Defense Ministry's Office for Armaments, Material and Military Technology, refused to comment on these concerns.

DMD is currently managed by former Slovak Finance Minister Julius Toth, who is expected to step down in the near future, after a permanent general director is selected.

DMD includes such firms as tank maker ZTS Dubnica and ammunition producer ZVS Dubnica, both of Dubnica nad Vahom; ZTS Martin, of Martin; aero-engine manufacturer Pavazske strojarne of Povazska Bystrica; and defense engineering firm Konstrukta Defense of Trencin.

"Sometime in the near future DMD will be enlarged to include all (Slovak) companies (that) are at least partially defense oriented," Sucha said.

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Hungary: Bokros, Suchman Approach Agreement

AU1801164096 Budapest NEPSZABADSAG in Hungarian 18 Jan 96 p 1

[Unattributed report: "Bokros-Suchman Rapprochement"]

[FBIS Translated Text] At its meeting on Thursday [18 January], the government will be discussing the fate of the surplus income from privatization. According to our information, the meeting of the Economic Cabinet on 17 January and the meeting with the prime minister show that the position of those who originally wanted to use this surplus income to reduce Hungary's debts came closer to the position of those who would return this surplus income to the economy in conformity with market laws, namely, not in the form of direct state aid or central investment. Although official sources have refused to make any statement, it had already been clear before the meeting of the Economic Cabinet that Lajos Bokros and Tamas Suchman now represent essentially identical positions. Besides, appreciation was expressed at this meeting about the favorable effects of the unexpected surplus privatization income on Hungary's entire system of international relations. Thus, opportunities have emerged to reduce Hungary's debts considerably and, primarily through interest savings, serious amounts of money can now be allocated to boost the economy and encourage exports. The government will probably be setting down deadlines for the work that will prepare for the new parliamentary decision, which will correct the previous one.

Hungary: Nagy Views Macroeconomic, MSZP Issues

AU1601092196 Budapest NEPSZABADSAG in Hungarian 15 Jan 96 pp 1, 9

[Interview with Sandor Nagy, chairman of the Parliamentary Audit Committee, by Peter Vajda; place and date not given: "The Finance Ministry Cannot Be the Center of Economic Policy"]

[FBIS Translated Text] In his interview with NEPSZABADSAG, Sandor Nagy, former chairman of the National Federation of Hungarian Trade Unions, now chairman of the Parliamentary Audit Committee, explained why he said no to the budget, what his opinion is on the debate on the privatization incomes, and what he thinks of possible personnel changes.

[Vajda] Your name is still in circulation for chairman of the economic and welfare council to be set up by the prime minister. Is the offer still standing?

[Nagy] I will probably meet the prime minister in the coming week. This time, it will be possible to discuss the important details, based on which I will be able to form my final decision. Regardless of myself, my opinion is that a position is needed where economic policy issues are examined from many angles, and which helps the government be a true center of economic policy—and it has to be, this task cannot be performed by the Finance Ministry—with integrated answers or draft alternatives.

[Vajda] Did the fact that you voted against the budget not cause difficulties to the prime minister in maintaining the offer of the position?

[Nagy] I did not ask him.

[Vajda] Did he not ask why you had voted no?

[Nagy] No, because I told him anyway. I intended the no vote as an indication. For me, the way some issues, primarily the fate of the extra privatization incomes, were decided was unacceptable. At some point it is a matter of confidence what relationship one has with a budget law in which passages of such importance can be included with such methods, in the form of an amendment motion, without the knowledge of the government or the biggest party's parliamentary group.

Method and Content

[Vajda] What are your views on the content?

[Nagy] The opposition voted for the Gaal-Keller amendment motion, namely, that the extra privatization incomes have to be spent on reducing the debt. Now then, it is either true what speakers of these parties have been saying for years, namely, the government's economic policy is limited to restriction and it has no development ideas, or the truth is what was reflected by their vote, namely the government should not have any room for maneuver. Anyway, weeks after the voting, all opposition parties started to say that some of this money should really be used for economic stimulation. Perhaps they should have expressed this view at the voting. The authors or very active supporters of this amendment motion have also undergone a strange change; I am thinking of the finance minister and some, mainly Alliance of Free Democrats, politicians. They are now saying that it will be possible to use the amounts released through the reduced interest burden resulting from the debt repayment for development purposes. However, before the voting, they did not say that the additional incomes would facilitate development ideas, and they only recommended the debt repayment as a "method" for this; only Laszlo Bekesi [former finance minister] indicated this at a parliamentary group session.

[Vajda] What development projects would you use some of the extra income for?

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[Nagy] First of all, the M3 highway deserves such support. I am not saying this because I am a deputy from Borsod county, but because I am aware of its effect on the whole northeast region's economic development. In my view, the decision on this issue will actually decide if the gap between eastern and western Hungary should grow further or there is a rational opportunity for the east Hungarian regions also to exploit their economic potential.

[Vajda] Is it not possible that your stance is nevertheless based on emotions?

[Nagy] The balance of investment and gain has to be honestly calculated. It is true that this is a little more difficult in the case of a highway development than calculating the returns of a production company. I also understand the concern of the finance minister that any kind of investment or development will necessarily generate additional demand with all its consequences. All of these have to be taken into account.

Before making concrete proposals, calculations have to be made in every case. This also applies when we say it is expedient to use the whole amount for repayment and then deal with the utilization of the freed resources. Even in this case it has to be clarified what we are talking about: Interest payment for one year, or the burden for the whole life of the loan, and so on. We have not yet analyzed this.

The Cost of Unemployment

[Vajda] Can one or two months be enough to do the necessary calculations in connection with the projects, like the one you mentioned with the M3 highway?

[Nagy] I assume that they can. It is possible to answer the emerging questions relatively quickly and precisely on the cost side. It is more complicated to know the effects of the given developments on the whole economy. Can we achieve a boom to come which does not damage the balance and does not have a negative effect on the balance? What effect will the given project have on unemployment? On a budget level, unemployment cannot simply be treated as if it were, similarly to company size, simply a product of economic rationality organically linked to efficiency. It has to be added to this that the current or higher level of unemployment costs the state at least 120 billion forints a year according to conservative estimates. Certain international experience shows how the effects of infrastructure investments on the economy can be quantified and, also using these, there must be an attempt to give answers within one or two months.

[Vajda] Until the calculations are prepared, in your view, what proportion of the released additional incomes should be redirected to the economy?

[Nagy] Approximately more than half of it should be used directly in the economy and a somewhat smaller proportion on debt repayment but, in the latter case, in such a way as not only to see this as a reduction of the burden, but also to consider the possibilities of using the released resources.

[Vajda] How do you see the position of the Hungarian Socialist Party [MSZP] parliamentary group's situation; can the cohesive forces still prevail in such a factional party group?

[Nagy] In connection with the situation of the parliamentary group, the basic dilemma is whether the party is doing what can be expected of a socialist party in this situation. It is only a seemingly simple question; various problem areas have to be examined to give an answer. First, in certain issues the economic constraints force the MSZP to implement different politics from what it said in its election program. Second, in issues which do not have any effect on the current account or on the state administration balance, differences also exist compared to the program—it is more complicated to find the reasons here....

[Vajda] For example?

[Nagy] For example, it requires a lot of imagination to say that—I am only referring to last year's debates—the current account balance depends on amending the labor code or on whether there is an employee representative in the privatization organization's board of directors. Third, we have the questions between the two, in which constraints do exist but they do not determine a forced course. In these issues, the tasks are given but various solutions exist. Real fault lines may exist between these solutions, not in the ideological issues, and it is difficult to use the term "right wing" or "left wing" to describe these differences of opinions. In addition to assessing these issues, it is a task of politics to rank the real interests and give answers that can be coordinated, can be accepted by society, and help the formation of an image of the future. It would be rather embarrassing to say in the interest of which social stratum the MSZP exerts its most marked political activity.

Hope and Experience

[Vajda] The MSZP's left-wing group recently raised the departure of certain people. What are your views on this and generally on the need for changes in the government and the MSZP's leadership?

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[Nagy] I have already spoken about this statement of the left-wing group; if I keep reacting to this, it might seem that this is my mania. People are also important, but the fundamental point is the politics they represent and their harmony with the advertised goals. In connection with the congress, for me the question is if it will bring corrections in policies which raise the need for personnel changes. If no such changes happen then the story will be about an excellent play in which one of the actors is not very good in his role. I doubt that this is the point. In connection with the personnel changes, Voltaire comes into my mind: According to him, the second marriage is the victory of hope over experience. We do not necessarily need this model in politics, but we should know what we want and build on the experiences. It only makes sense in this way to raise personnel issues.

Hungary: MDF's Lezsak on Position, Party Direction

AU1801164196 Budapest UJ MAGYARORSZAG in Hungarian 18 Jan 96 pp 1, 5

[Interview with MDF Deputy Chairman Sandor Lezsak by "P.Gy.;" place and date not given: "The MDF's Chairman Nominee Feels Fur's Support—Lezsak: To Regain the Old Ones"]

[FBIS Translated Text] Many people are visiting Sandor Lezsak these days. His speech given last week in Godollo provoked much reaction. According to Lezsak, the MDF [Hungarian Democratic Forum] does not have two sides; people who claim this simplify what has happened in the party. The MDF is a multifold party, but this is not a problem and, in fact, this is precisely its strength: To assemble and address all strata of society.

[UJ MAGYARORSZAG] In the wake of the consultations in Detk and Godollo, many people are nevertheless talking about two factions. One is headed by the duo of Lajos Fur [party chairman] and Ivan Szabo [parliamentary group chairman], while the other group, at Peter Boross's suggestion, would like to see you as chairman....

[Lezsak] I emphasize that these are simplifications. At the moment, the most important task is to improve our self-healing ability, preserve our cultural values, and establish economic growth. The Hungarian economy is struggling in the contradictions of a defensive state of exigency. The Hungarian Socialist Party-Alliance of Free Democrats government is trying to tone down the national outrage created by the Bokros package with successes that are like optical illusions. I agree with those who, including Boross and Gyorgy Gemesi [party deputy chairman], are ready to draw up economic growth stimulation programs on the basis of Bela Kadar's [former foreign trade minister] ideas. In spite of his excellent rhetoric, Szabo does not belong here.

[UJ MAGYARORSZAG] And Fur?

[Lezsak] I am asking the same. Who is positioning Fur against me and why, when he has never even spoken on this issue? It is possible that his views are completely different from what the press is suggesting.

[UJ MAGYARORSZAG] Is it possible that he would support you?

[Lezsak] This is also possible. Nothing can break our tried and tested friendship, my decade-long respect and appreciation.

[UJ MAGYARORSZAG] According to press assumptions, your election as chairman would mean the party's shift to the right.

[Lezsak] That is what outsiders say. However, I say that the party would return to the road on which it started in 1987-88, but it would also use the contradictory experiences that it gained in the Antall-Boross period. I see the MDF as a people's party that organically combines moderately national, Christian, and conservative values.

[UJ MAGYARORSZAG] Somewhere you said that you would like to invite those back who have left. Who were you thinking of?

[Lezsak] Those who have turned their backs on the MDF for one reason or another over the past five years. Remember that we got more than a million votes in 1990 and only 600,000 four years later! This would be even worse if elections were held now.

[UJ MAGYARORSZAG] What happened to those 400,000 people?

[Lezsak] Most of them became weary of politics or they became disappointed with us, and did not even vote; others voted for the Christian Democrats or the Smallholders.

[UJ MAGYARORSZAG] Perhaps also for the left wing?

[Lezsak] That is also possible.

[UJ MAGYARORSZAG] If you are elected chairman, you would like to work most closely with Gyorgy Gemesi. Why?

[Lezsak] Over the past five years, I have been able to see what an excellent organizer he is and, as the reelected Godollo mayor, how well he has learned local government work and management. As a matter of fact, I am convinced that he has brought these qualities with

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him from sports, as he used to be excellent at saber-fencing. He is also a surgeon. He is a precise, accurate, and steadfast person. I need helpers like him.

Hungary: Former Minister Schamschula Leaves MDF

LD1901105296 Budapest Kossuth Radio Network in Hungarian 0700 GMT 19 Jan 96

[FBIS Translated Text] Gyorgy Schamschula [former minister of transport, communications, and water management from February 1993 to June 1994] has left the Hungarian Democratic Forum [MDF]. In his letter to party Chairman Lajos Fur, the National Assembly deputy wrote that from now on he would like to exercise politics not for a party but for a country.

The chairman of the Independent Smallholders' Party [parliamentary opposition party, chairman Jozsef Torgyan] offered Schamschula party membership, but, at the moment, he does not wish to join any party and will be active in the movement called National Alliance for Hungary [an electoral alliance of opposition politicians, in which Schamschula is member of the executive board].

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B-H: NATO's Solana, Joulwan on Withdrawal Deadline

AU1901124296 Paris AFP in English 1211 GMT 19 Jan 96

[FBIS Transcribed Text] Brussels, Jan 19 (AFP) — Bosnia's warring parties have completed their pullout from the zones of separation ahead of a midnight (2300 GMT) Friday deadline, said NATO Secretary General Javier Solana on Friday.

The former belligerents were to have abandoned all frontline positions and withdrawn two kilometres (one mile) either side of the confrontation lines in line with the Dayton peace accord signed in Paris last month.

The pullout marks the first major deadline to be met by the former warring factions in Bosnia.

NATO supreme allied commander Europe, General George Joulwan, was slightly more nuanced, saying it was highly probable that the warring parties had pulled back along the 1,000 kilometre (600 mile) confrontation line.

B-H: Army 2d Corps Fulfills Dayton Obligations

AU1801210196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 18 Jan 96

[FBIS Translated Text] The implementation of the military part of the Dayton Agreement in north-east Bosnia, that is, in the area of operation of the 2d Corps of the Army of Bosnia-Herzegovina has not encounter any major problems so far. The most important jobs have been completed before the expiration of the deadline. (?Enes Imani) has the details:

[Correspondent] All envisaged activities have been completed in the area of the 2d Corps of our army two days before the expiration of the deadline to carry out the first operations of the military part of the Dayton agreement. Early this morning, the military formations of the Federation of Bosnia-Herzegovina and the Serb entity pulled back to the new lines of separation.

This information was presented in the Command of the 2d Corps of our army today. The army stressed especially that all the key roads have been cleared of mines, cleared, and made ready for the use of IFOR [Implementation Force]. This primarily refers to the road from Sapna toward Priboj, the Tuzla-Priboj-Lopare road, the Bijela-Brcko road, the Srebrenik-Orasje road, the Gradacac-Modrica road, the Gracanica-Doboj road, and all passes over the Spreca River. It is assumed that these roads can currently be used only by members of IFOR.

One should stress that almost 90 percent of mine fields has been cleared. The rest has been clearly marked. Of course, this information refers [word indistinct] the 2d Corps of the Army of Bosnia-Herzegovina.

To a large extent, this has removed the understandable fear among the U.S. soldiers within IFOR. In view of all this, U.S. General William Nash and Brigadier General Sead Delic, commander of the 2d Corps, have expressed their satisfaction. This satisfaction is well founded considering the relations hitherto between our and U.S. soldiers. Frequent contacts and cooperation have contributed to the compliance with the pace of the implementation of the agreement.

The zealous Americans have also managed to force the Serbs to move at the same pace. In brief, the cooperation so far has removed any possibility of misunderstanding regarding the implementation of the military part of the agreement.

The ball is now in the politicians' court.

B-H: Serb General Says Withdrawal Fully Observed

LD1801221496 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 18 Jan 96

[FBIS Translated Text] The deadline set by the peace agreement by which all military formations in Bosnia-Herzegovina must withdraw to separation lines expires at midnight tonight. According to information from Serb military sources, the Serb Republic army has fully honored the agreement.

[Begin recording] [General Dragomir Milosevic, identified by caption] Corps forces and all our structures are fully observing and implementing the agreement and everything it contains. The implementation of the agreement is closely linked to the overall situation on the ground and in Serb Sarajevo, which brings its own problems, which is particularly complex and so difficult that all Serb people in this area have been put in a disadvantageous position. The implementation is taking place under pressure; it is not the Serb people's realistic need and will to implement the agreement.

The remaining issue — which again is our duty — is that the Serb people must be adequately protected in the areas that will stay in the Muslim-Croat federation. Measures and instruments of protection will exist, partly provided by Interior Ministry forces, and partly also by the Implementation Force, which has given some guarantees and promised that people will be protected, that it will offer assistance and support. [end recording]

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B-H: UK Troops Guard 'Mujahidin' After 'Standoff'

AU1801205196 Paris AFP in English 1947 GMT 18 Jan 96

[FBIS Transcribed Text] Sarajevo, Jan 18 (AFP) — British peacekeeping troops set up an armed guard over 100 mujahidin fighters coralled into a building in northwest Bosnia Thursday [18 January] following a standoff with Canadian soldiers, IFOR [Implementation Force] officials said.

Several tracked armoured personnel carriers and 100 British troops were dispatched Thursday to the area of Gornja Koprivna, 20 kilometers (13 miles) north of Bihac, to establish an "overwatch" to make sure the mujahedeen leave Bosnia peacefully, IFOR spokesman Lt. Colonel David Shaw told AFP.

The order was given after a patrol vehicle with Canadian soldiers was surrounded by a group of mujahidin soldiers in the early hours of Thursday morning, Shaw said, adding: "A couple of them were armed. It was a nasty scene."

The mujahidin, Islamic volunteer fighters with the mainly Moslem Bosnian army, have been ordered out of Bosnia to comply with the U.S.-brokered Dayton peace accord.

Buildings in the village are being used as a staging post for the volunteer fighters before they leave Bosnia via Croatia back to their countries of origin. A group of 17 left Thursday, on the heels of 13 who departed on Wednesday, a senior IFOR official Thursday.

Bosnian Army forces are primarily responsible for keeping guard on the fighters who come from a range of Islamic countries. The mujahidin played a high profile role in battles with the Bosnian Serbs but their withdrawal was written into Bosnia's peace accord to assuage American fears they might carry out terrorist attacks on US peace forces in the country.

However, "given what we have seen we are providing an overwatch to deter any other incidents happening and escort them out of Bosnia," Shaw said. The volunteer fighters who at one point numbered some 2,000 were due to have left by January 13 however, problems with getting clearance from the Croatian authorities has delayed their departure, IFOR officials said.

B-H: Spanish Troops To Monitor Withdrawal

BR1801134696 Madrid EL MUNDO in Spanish 18 Jan 96 p 14

[Report by Jose L. Lobo: "Spanish Soldiers Supervise Withdrawal of Troops of All Three Factions in Bosnia"]

[FBIS Translated Text] Mostar — Tomorrow is "D-Day" for the Bosnian peace agreements, one of the key dates fixed in the peace treaty signed in Dayton in November by the Serbs, Croats, and Bosnians marking the definitive end to hostilities.

As of 00.00 on Friday the warring parties will have to withdraw at least 2 km from the former front lines and NATO's Spanish brigade will be deployed the whole length of the 120-km strip to ensure that the three factions respect the promised withdrawal.

The Dayton peace agreements ratified in Paris on 14 November set the date of 19 January for the three warring groups to withdraw 2 km either side of the former front line, creating what one Spanish officer in Mostar described yesterday as a 4 km "buffer zone" in which there can be no troops from any of the three groups nor any weaponry of any kind.

Today, Thursday, on the eve of "D-Day," all the members of the Spanish NATO brigade will start to take up position along the 120 km-long, 4 km-wide strip to check that Serbs, Croats, and Bosnian Muslims are completing their withdrawal from the 4-km "buffer zone."

A spokesman for the Spanish brigade said yesterday that, just two days from "D-Day," the military forces of the three groups were continuing to withdraw from the front line at a steady rate and said he was confident that the withdrawal would be completed by Friday morning.

Nevertheless, the Spanish troops will today be deployed on the ground to check the effective withdrawal as set out in the Dayton agreement which provides for the use of force against any group that refuses to do so.

Reserve Vehicles

The spokesman for the Spanish brigade stated that one unit of armored vehicles equipped with heavy machine guns will be kept in reserve to cover the eventuality of having to use force in the implementation of this essential component of the peace plans.

A NATO spokesman in Sarajevo yesterday told EL MUNDO that in addition to the Spanish troops, military forces from the other countries participating in the operation would start to be deployed today along the almost 1,000 km-long former front line throughout

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Bosnia to ensure the withdrawal of the warring parties and their weaponry.

Nevertheless, Spanish General Juan Eleta, the military adviser to the EU administrator in Mostar, the German Hans Koschnik, said yesterday that the real test of the Dayton peace agreements and the civil reconciliation in Bosnia will come in five months' time when the first general elections are held in the former Yugoslav Republic made up of a Croat-Muslim Federation and a Bosnian Serb Republic.

Negotiations at a Standstill

Meanwhile, in the town of Mostar, the capital of the Herzegovina region, negotiations for progress and consolidation of this federation have virtually ground to a halt. In theory, on Sunday there should be complete freedom of movement in Mostar for the inhabitants of both sectors of the city. The west is inhabited almost exclusively by Croats and the east has a Bosnian Muslim majority.

General Juan Eleta admitted that still very few people are daring to cross the line that divides the two sectors, despite the fact that since 1 December women, children, and disabled men have been free to move around the town and on Sunday this freedom should be extended to all inhabitants.

In the meantime, Spanish armored vehicles are still patrolling Bulevar and Mostar day and night — former areas of confrontation between Croats and Bosnians — to avoid a fresh outbreak of the civil war that first pitched the two communities into battle in 1993.

B-H: Moroccan Troops To Receive Basic Background

BR1701151896 Madrid EL MUNDO in Spanish 17 Jan 96 p16

[Report by Jose L. Lobo: "Problem of Moroccan Deployment in Bosnia"]

[FBIS Translated Text] Sarajevo — NATO forces in Sarajevo told EL MUNDO that Spanish military commanders have recommended that a commission of experts be sent to Morocco immediately to inform the Moroccan battalion that will soon join the Spanish NATO brigade about the conflict and peace process in Bosnia Herzegovina, "given the serious lack of knowledge" which the Moroccan soldiers have regarding the situation in the former Yugoslavia.

This point was made clear at a meeting on 5 January in Madrid between military officials from both countries. They agreed that in February Morocco would send a battalion of just over 1,200 men to Bosnia who would then join forces with the Spanish brigade deployed in the Mostar region under the command of General Luis Palacios.

Lack of Knowledge

Defense Minister Gustavo Suarez Pertierra asked the Army Chiefs of Staff for a report on the meeting and on the problems for Spain created by the deployment of Moroccan soldiers. NATO sources state that the conclusions of this report could not have been more emphatic: The commission from the neighboring country said "it did not know anything about the situation in the zone and that the greatest disadvantages would be not knowing the 'enemy' or the language, and the cold."

For this reason the report recommended to the Defense Ministry that "given the Moroccans' serious lack of knowledge of the operation, it appears essential that a team of experts should be sent to Morocco." Moreover, the Moroccan delegation asked that once its men had been deployed in the zone, the Spanish brigade commanders should send a number of liaison officers to its detachment and explain their mission to them."

To illustrate the Moroccan Army's lack of information on NATO's mission in Bosnia and the current situation regarding the conflict in the former Yugoslavia, at the end of the bilateral meeting in Madrid the Spanish military commanders decided to provide their Maghreb colleagues with basic information manuals on the development of events in the Balkans. Army Chiefs of Staff started to issue these manuals at the outset of the conflict when Spanish troops were first deployed in the region.

The manuals were written by the Army Intelligence Division and contain basic — and sometimes even oversimplified — information on the different essential features needed to understand the Bosnian conflict (historical, military, and ethnic issues).

Thus, in the chapter concerning guidelines for courtesy and behavior with the local people, the manual describes the Bosnian Serbs as "people who like to eat and drink a lot." The Bosnian Croats, it says, "become aggressive when they drink too much, and this makes them dangerous." In these cases it recommends "signs of affability and friendliness, for example by offering to buy the next round since in most cases this changes their attitude and avoids problems, although you could end up as drunk as they are."

Location

Meanwhile the Moroccan soldiers traveling to Bosnia who belong to elite Army units have been pushing ahead

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with accelerated training at military bases around Agadir with a view to their deployment in mid-February.

Commanders of the Spanish brigade in Bosnia Herzegovina are now faced with the problem of finding the best location for the Moroccan battalion. Moreover, no decision has yet been made concerning which specific missions will be assigned to the North African troops and what their areas of responsibility will be, although it already seems clear that part of the battalion will be deployed around the Mostar airport where Spanish and French troops are already working at removing mines it so that it can be reopened.

NATO sources in Sarajevo state that the Croatian authorities in Bosnia have already refused to allow the Moroccan troops to be deployed in the area under their control on religious grounds. The Croats are staunch, in some cases fanatical Catholics, and they refuse to accept soldiers from a Muslim country such as Morocco.

B-H: Italian IFOR Commander Interviewed

BR1701141696 Milan L'INDIPENDENTE in Italian 17 Jan 96 p 11

[Interview with General Pedone, commander of the Italian Garibaldi Brigade serving in Bosnia, by Luca Benecchi and Luca Poggiali in Sarajevo; date not given: "Here We Are, in the Arsenal That Is Sarajevo"]

[FBIS Translated Excerpt] [passage omitted] What about the battle the other evening? "IFOR [Implementation Force] headquarters said they were celebratory shots ushering in the Orthodox new year." General Pedone, commander of the Italian contingent in Bosnia, jests about the barrage of bullets and grenades that set the building housing part of the Garibaldi Brigade in the Vogosca suburb atremble Saturday night [13 January]. "They all have a rifle under the bed here," the general continued. "We could assign them to various classes: personal weapons and weapons shared by the families living on one floor, in one apartment block, or in one district. This city is one big arsenal, and danger lurks everywhere. The situation looks quiet, but one spark is enough for fighting to break out again." [passage omitted]

[L'INDIPENDENTE] What level of security does the structure where your men are billeted in Vogosca hold out?

[Pedone] We have done a lot of work on improving our defenses over the last few days, and we are establishing good relations with the local community and its administrators at the same time.

[L'INDIPENDENTE] What will be the rules governing off-duty and leave arrangements in this context?

[Pedone] Out of the question at the moment. Hazards lurk everywhere in the city, and the men are working so hard that all they want to do after the evening mess is get some sleep. As Italy is only an hour away by air, we are making arrangements for the men to fly straight home on leave.

[L'INDIPENDENTE] How long will it take to deploy the entire contingent in Bosnia?

[Pedone] Over 1,200 men have arrived to date, more than half our full complement for the IFOR operation. However, deployment should be completed by early February.

[L'INDIPENDENTE] The Italians are operating in the French zone. How are you getting on with the officers from Paris?

[Pedone] We have been meeting for days to establish the basis for cooperation. Our first real job is to take part together in the Serbian and Muslim "joint commissions" on compliance with the Dayton accords. We have to get them to talk to each other and prevent the area from sliding back into the nightmare of war: We and the French will try to get them to coexist. Today we will begin patrolling the fortress that overlooks Sarajevo, where the Americans have installed a radar to establish where any artillery shots are fired from.

[L'INDIPENDENTE] And how are you getting on with the Serbs and Muslims?

[Pedone] For the time being, we have got it through to the two sides that we are here to defend everybody's rights. Two liaison officers, one from Pale and the other a Muslim, will be brought in right here where we are setting up our headquarters, to keep up the flow of communication.

[L'INDIPENDENTE] What will be the first step in implementing the Dayton accords?

[Pedone] The first project will be one of the more arduous ones, a wager in which much of the city's future is at stake: We are to organize an international police force comprising 1,000 UN people to flank the local forces of law and order.

[L'INDIPENDENTE] Will our troops be part of it as well?

[Pedone] It is difficult to say at the moment. The problem now is to set out the powers that this police force will have; later on we will see what contribution we can make.

[L'INDIPENDENTE] Do you expect to set up a permanent base on Serbian territory?

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[Pedone] By no means. We will work with them, we will help them, but, for security reasons, we have no intention of splitting the contingent up too much. Outside Sarajevo, all we have is a 200-bed transit camp at Mostar, where troops can stop over en route from Ploce.

[L'INDIPENDENTE] A few helicopters of the type used in Somalia would be useful to bypass the insidious gorges and move troops more rapidly.

[Pedone] Yes, they would undoubtedly be useful, but they cost too much. This mission is not lavishly funded, and keeping a helicopter in the air costs several million lire a day.

[L'INDIPENDENTE] How long will it be before you begin patrolling the corridor between Sarajevo and Gorazde?

[Pedone] Not long, but we are waiting for nearly 1,000 Portuguese troops, who will be part of our own brigade and will be based close to the Muslim enclave.

[L'INDIPENDENTE] After years of conspicuous absence, now that the Italian troops are here, some representative of the Italian Government or Parliament will surely show up...

[Pedone] With all the problems that they are having at the moment they will certainly not do so now, but they will come, they will come. The main thing is not for the politicians to put in an appearance but for the Italian people, the nation, to be on our side. Nothing else matters.

B-H: Netherlands Generals Assess IFOR Mission

BR0901152996 Amsterdam ELSEVIER in Dutch 6 Jan 96 pp 30-37

[Report by Bert Bommels and Remco Meijer from Busovaca: "Second Attempt"]

[FBIS Translated Excerpt] [passage omitted]

Bad Flu

The chief of all 2,100 Netherlands soldiers in Bosnia is Brigade General Henk Coopmans. As the contingent commander he is also the eyes and ears in IFOR [Implementation Force] for the top officials in the Defense Ministry and [Defense] Minister Voorhoeve in The Hague. As he himself put it: "the umbilical cord to the fatherland." [passage omitted]

He explained enthusiastically the new mission of the Netherlands troops. This mission differs in many respects from that of Dutchbat in Srebrenica. There the troops formed a protective ring of 12 permanently manned observation posts around a safe haven, an area where the people were supposed to feel safe. Dutchbat mingled with the population and gave them humanitarian support.

Coopmans commented: "My division commander now wants a standoffish attitude toward the population. In the Dayton accord Bosnia has been redivided and clear borders have been drawn. Our mission is to ensure that these borders are not violated. If that nevertheless happens, then the parties can expect an immediate reaction from us, correct but firm, if necessary with firepower. Now we also have the means for that. There are to be 2-km demarcation zones on both sides of the borders. The agreement is that no soldiers belonging to Bosnian militias are allowed to be located in them. If nevertheless they are there, then we will get them out. And anyone who fires will get fire back."

To deter parties with evil intentions in advance, the area will be continually patrolled. Coopmans added: "From the forward battalion positions teams will drive out and they will be able to remain in the field for days. These are strong units carrying all kinds of things, reconnaissance vehicles, YPR armored combat vehicles, and a few tanks. The aim is to overawe, to make it clear that there can be no joking with a unit like that. Showing the flag." The general also added: "In these patrols we will concentrate above all on what we call flash points, areas where our reconnaissance troops expect things to go wrong. Possibly we will set up a new support point in these places. The good thing is that for serious problems we can always call on support from the operational reserve of the division of which we form a part."

Risky Business

Coopmans did not hide the fact that NATO military operations contain greater risks for the troops than the UN work. "We are going back to traditional field work, during which opposition cannot be ruled out. For the time being all the parties are keeping to the agreements, but what will happen in the spring when the dates pass on which certain areas had to be transferred?"

Another source of concern for Coopmans are the mujahidin, a few hundred Muslim fighters from Islamic countries like Iran, Lebanon, Pakistan, Turkey, and Yemen, who in recent years supported the regular Bosnian Army and still remain in Bosnia. According to the agreement, they were to have left the country within a month, but it is open to question whether they are taking that seriously. Many of them have a criminal record and are no longer welcome in their own countries, according to Captain Ed Wolf, the battalion's intelligence officer. Just before Christmas there was a bloody clash between Bosnian Croats and the mujahidin.

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Coopmans said: "Our men could run into them too. It is always a risky business with this kind of irregular group."

The greatest enemies for the Netherlands and other IFOR troops are the harsh Bosnian winter — which makes completely flat roller coasters out of the narrow mountain roads and increases the chances of road accidents — and the mines. It is estimated that 3 million mines are spread throughout Bosnia, most of them unmarked. They are also located on road verges covered in snow. Lieutenant Colonel Damen stated: "We insist on the danger continually. I have told my drivers that during journeys they must simply relieve themselves on the road between two vehicles."

The top military boss of the Armed Forces is also aware that the 2,100 Netherlands IFOR soldiers "are facing a very difficult job, not without risks." These are the words of Chief of Defense Staff, Marine General Henk van den Breemen. Last week he came by Chinook helicopter to spend New Year "among the men." After the doughnut balls, champagne, and good wishes there has been time for reflection. Is this a second attempt for the Netherlands Armed Forces after the Srebrenica drama?

Van den Breemen commented: "I see no connection whatsoever between the UN intervention in Srebrenica and the military IFOR intervention. The question suggests that Dutchbat failed in the enclave and I dispute that. The concept there was wrong. And when a concept is wrong, you should not be surprised when the thing turns out wrong. What is happening here at present is about a rethinking of the peacekeeper's role. The lesson is clear. From the very beginning we must enter Bosnia in such strength that we deter. And the thing is to maintain this deterrent effect. We already have many means for that now, but if necessary we will bring even more in.

"IFOR has set itself an ambitious mission. The advantages are that everyone in the world is working in the same direction, that there is enormous political pressure, and that the Americans are taking part. It is important that the IFOR troops have a different attitude than the UN soldiers. They are the strict masters who do not have to carry out a humanitarian role at the same time. That has a confusing effect. For the rest the thing is for civilian bodies to work very hard on the civil reconstruction of the country. That is a condition for making permanent the peace which we soldiers are monitoring."

[ELSEVIER] Can the IFOR operation be completed in a year?

[Van den Breemen] A year is short. You have to be realistic. There are still many feelings of hatred here. How long will it take before they are worn out? For a long time yet it will be necessary to take account of the fact that tensions will reach bursting point again. The thing then is to contain them. [passage omitted]

B-H: Russian Advance Party Prepares for Deployment

AU1701171996 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 16 Jan 96 p 7

[Report by M. Cvijetinovic: "Proven Professionals"]

[FBIS Translated Text] In the camp of the Russian Federation's airborne brigade, situated near the thermopower plant in Ugljevik, the advance party of 160 soldiers is working hard to prepare accommodation for the main part of the 1,500 men who will be arriving by the end of January.

On the desk of the commander of the brigade, Colonel Aleksandr Ivanovich Leptsov, there is a pile of maps with the lines of separation in detail. Col. Leptsov, a 43-year old man from Novorossiysk and a veteran of the Afghan and Chechen wars, is curt and tight with words.

Russian troops will be deployed on Mt. Majevica, between the village of Potocari and Zvornik. Some troops will arrive at Tuzla airport, others will come by railroad together with heavy weapons. According to the envisaged plan, the deployment of the troops between the warring sides will begin on 1 February, Col. Leptsov says.

The Russian Federation's airborne brigade is made up of proven professionals who have been through the hardest psycho-physical tests. Lieutenant Sergey Nikolyevich, who is in charge of relations with the press — he is from Don and stresses with great pride that he belongs to the famous Cossack brigade with glorious traditions — came up with a heap of facts.

What kind of soldiers we are talking about is best illustrated by the fact that 184 of them went through the Afghan and Chechen wars, and therefore they are hardly going to experience any surprises here.

The Russian brigade consists of 24 nationalities. Arad Bashirov is a Tatar from Bashkortostan. Before coming to Ugljevik, he spent six months fighting in Chechnya. Aleksandar Lipatov is from Gorky and even spent new year's eve 1996 in the capital city of Chechnya, Groznyy.

Compared to what I experienced in Chechnya, this is a vacation for me. Only those who have experienced the

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horrors of civil wars know how to appreciate the values of peace. I wish all the peoples here that this will be their last war, Lipatov said.

Not very far from the Russian camp is a tent with U.S. soldiers, who are in charge of liaising with the Russian soldiers.

Major John Bushiker from Oklahoma, chief liaison officer, who speaks excellent Russian, told us that no system of subordination will exist between the U.S. and the Russian troops. There will only be cooperation on the same task.

Another U.S. soldier, who wanted to remain anonymous, told us that he had spent the previous evening drinking with the Russians long into the night. He drank tonic, and they drank vodka, of course.

We had been taught for years that the Russians are our enemy, but the ones I've met here are great guys, he said.

B-H: Serbs' Buha Asks Russia To Open Mission

AU1101162296 Belgrade NASA BORBA in Serbo-Croatian 11 Jan 96 p 2

[FONET report: "Russian Mission in Pale"]

[FBIS Translated Text] Pale — Serb Republic Foreign Minister Aleksa Buha proposed yesterday the opening of a Russian mission in Pale, SRNA reports.

Congratulating new Russian Foreign Minister Yevgeniy Primakov on his appointment, Buha expressed hope that cooperation between the two countries would improve considerably over the coming period. Buha proposed the opening of a Russian mission in Pale, saying that an additional reason for this was the participation of Russian troops in IFOR [Implementation Force].

"At the same time this would be an opportunity for our two governments to coordinate a joint strategy for activities on the international stage," Buha said in his letter to the new Russian foreign minister.

B-H: SDA: Elections Depend on Refugees' Return

AU1801162196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 18 Jan 95

[Report by Samir Huseinovic]

[FBIS Translated Excerpt] The forthcoming elections as envisaged by the Dayton Agreement and the return of refugees and displaced persons to Bosnia-Herzegovina were the main topics of the Party of Democratic Action's [SDA] news conference today. The correspondents were addressed by the party's spokesman, Ismet Grbo. Samir Huseinovic reports:

[Huseinovic] The upcoming elections and their success will depend to a large extent on the return of refugees and displaced persons to Bosnia-Herzegovina. According to Ismet Grbo, the process of returning of refugees and displaced persons must take place simultaneously. This will depend most on the implementation of the civil and military aspects of the Dayton agreement.

The implementation of the civil part of the agreement is lagging behind. By destroying property, the authorities of the Serb entity are making the conditions for the return of refugees considerably more difficult, and thus obstructing the peace agreement.

According to the agreement, IFOR [Implementation Force] is obliged to protect the socially and state-owned property, but there are no signs that this organization is prepared to do so at present. As almost half the Bosnia-Herzegovina population is displaced or in exile, the SDA will do whatever it can that they return home.

It is not very probable, however, that they will all return to Bosnia-Herzegovina. Those who will not be able to return must be enabled to vote in the places where they live at present. So far, only Sweden has expressed a readiness to enable the citizens of our country to vote.

The SDA has assessed positively the return of some refugees to Banja Luka, expressing the hope that this process will continue [words indistinct]. Unlike Banja Luka, where at least some progress regarding this issue can be seen, the situation in Srebrenica is completely different. [passage omitted]

B-H: Commentary Blames SDA for Tensions in Usora

AU1801145196 Split SLOBODNA DALMACIJA in Serbo-Croatian 16 Jan 96 p 7

[Commentary by Veso Vegar: "Incidents Are No Coincidence"]

[FBIS Translated Text] The two most critical points in the emerging Federation of Bosnia-Herzegovina are Mostar and Usora. And while Mostar is at the center of media and political attention, much more serious tensions between Croats and Muslims, with far more tragic consequences, go unnoticed, particularly by the foreign media. This works directly to the disadvantage of the Croats, but also to the disadvantage of all Croatian interests and policy. Such a statement does not need a detailed explanation, as one only needs to have followed the media and political pressure placed on the Croatian side, which has particularly intensified since the New Year, when the tensions in Mostar took on a definite shape with the incidents on the former demarcation line. Meanwhile, the deaths of two HVO [Croatian Defense

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Council] guardsmen and the movement of thousands of heavily armed Bosnia-Herzegovina Army troops remain in the background.

What is, in fact, Usora and why are tensions there bordering on open conflict? It should immediately be said that Usora as a political term appeared in this war. Even today, many Muslim politicians cannot utter the name and, when asked anything connected with it, answer with the counter-question "What on earth is that?" That is from where all the misunderstandings and tensions stem. Usora is a compact territory consisting of several Croatian villages in the territory of the Tesanj Municipality. Thanks to a timely organization of defense, a frenetic and superhuman struggle, and of course, cooperation with the Muslims, a large part of this territory was defended from the Serb aggressor. Unlike the majority of other parts of Bosnia-Herzegovina, there were no conflicts between the Croats and Muslims in Usora and it has been pointed to as a fine example of cooperation and joint defense between the HVO and the Bosnia-Herzegovina Army.

Two Concepts

However, after the signing of the Washington treaty on the federation of Croats and Muslims, instead of capitalizing on the successful joint efforts in the struggle and cooperation, the first problems arose. Units of the 110th Brigade, later the 110th HVO Regiment, and particularly policemen in the uniforms of MUP [ministry of internal affairs] of the Croatian Republic of Herzeg- Bosnia, and the established bodies of authority, became a thorn in the side of the Muslim authorities in Tesanj and, as it turned out, also at higher levels. A conflict between the two national concepts emerged, envisaging different administrative and political setups for the free territory. On one hand, there are the Muslims, who want the whole territory to be part of the Tesanj Municipality, and on the other hand there are the Croats, who have been trying to organize the territory defended with the Croatian majority as a separate Usora municipality. Thus, on 6 January 1995, the Tesanj Municipal Council passed a resolution establishing civilian authorities throughout the Tesanj Municipality, of course including Usora as well. Officers from the Tesanj MUP were supposed to implement this decision. The reaction of the Usora municipal council and the headquarters of the 110th Homeguard Regiment was the decision to oppose the implementation of this resolution, if necessary even by force.

Both the Croatian and the Muslim authorities refer to the legitimacy of their demands. The difference lies only in that the Muslim authorities in Tesanj refer to the laws of the Republic of Bosnia-Herzegovina, while the self-organized authorities in Usora refer to the Washington treaty, which enables the setting up of new municipalities. However, let us remember that the previous state law also enabled the formation of new municipalities. Fortunately, the officers from the Tesanj MUP did not use force to implement the resolution to put the territory of Usora under their control, but the 1994 incidents became even more numerous in 1995. The Muslim policemen have frequently provoked Croats, particularly members of the Homeguard Regiment and officers of the Usora police station, such as the arrest of the policeman Mladen Suvalo (in March), who was also physically mistreated, the confiscation of the military police commander's official car in May, and open insults and the belittling of military policemen and interference with their work. Ante Jurisic's [not further identified] house was also robbed, a shop was looted, and the well known problems with the beginning of classes at the Kulin Ban primary school [not further specified]. The worst incident occurred on 25 December when Silvije Heceg and Jozo Glavas were ambushed and murdered, and Anto Jankovski was slightly wounded in a car.

On the Verge of Conflict

Tension reached its peak on 12 January, when there could have been disastrous consequences. A day earlier, the 375th Brigade of the Bosnia-Herzegovina Army was moving down the Jelah-Tesanjka road, with a show of force and singing songs insulting to Croats, which antagonized the Croats. However, that is not all: Additional units of the Bosnia-Herzegovina Army and the police, subsequently found to be between 1,500 and 1,600 armed men, came with the aim of entering the HVO's theater of operations. The HVO energetically responded by refusing to allow that and things reached the verge of open conflict. Clashes would probably have broken out, despite the interventions of officers from the Joint Staff of the Army of the Federation of Bosnia-Herzegovina and top political officials, had it not been for IFOR [Implementation Force] officials, who reacted promptly and efficiently.

Within just 15 minutes of their arrival on the scene and after being briefed on the situation, their helicopters were flying all over the place, taking pictures of the situation, and armored personnel carriers very quickly set off for the troubled area. The IFOR officers categorically ordered both armies to withdraw and it was particularly pointed out that the Bosnia-Herzegovina Army units had to withdraw from the Croatian villages of Ularice and Alibegovci.

Latest reports from Usora say that Muslim forces have been withdrawing and that the tension has been diminishing. Some, such as Haris Silajdzic, will blame

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the Croats for this conflict without any valid grounds, though fortunately without any grave consequences, but this is a huge nonsense, because how could several hundred HVO soldiers in that area represent a danger for a whole Muslim army corps? Therefore it must be said that the most recent tension, as well as increasingly frequent incidents, is not a coincidence, but planned. The political aim is to disable the setting up of the Croatian municipality of Usora, thereby to leave the Croats without any institutional protection, which in time would lead to them leaving. The main inspiration and the one who is giving the orders for this operation is Semsudin Mehmedovic, head of the Security Services Center in Doboj, perhaps the most influential person in the region, with strong connections in the top leadership of the SDA [Party of Democratic Action], whom he has to thank for his rapid political rise. He is the bearer of that faction in the SDA that opposes the establishment of the Federation.

Well informed sources are saying that Kresimir Zubak, who comes from this area, and Ejup Ganic deserve most credit for preventing an armed conflict between the Croats from Usora and the Muslims. At the most critical moments they have been turning up and extinguishing sparks, not allowing them to turn into a fire. Now, IFOR is there, too. But, there will never be any real peace if a part of the SDA does not abandon the policy of subjugating Usora.

B-H: UNHCR Warns Against Haste in Repatriation

AU1601132796 Paris AFP in English 1207 GMT 16 Jan 96

[By Jacques Boyer]

[FBIS Transcribed Text] Geneva, Jan 16 (AFP) — The UN High Commissioner for Refugees Sadako Ogata on Tuesday urged host countries not to press for a hasty repatriation of hundreds of thousands of Bosnian refugees as this could jeopardize a fragile peace.

"Let's make sure that the promise of peace signed in Paris is becoming a reality on the ground before we take a step that will affect the lives of hundreds of thousands of people, who have already endured enormous hardship in the past," said Ogata, who is chairing the international meeting.

"This will allow some time for critical reconstruction activities to get underway, and would avoid a destabilizing effect on the peace process."

She was speaking at the opening of an international meeting aimed at launching the complex process of repatriating between two and three million refugees from the former Yugoslavia, currently scattered across Europe.

Representatives of some 40 states and 20 international organisations are attending the meeting, which will focus on an ambitious blueprint drawn up by the UN High Commissioner for Refugees (UNHCR).

In her opening speech, Ogata outlined the UNHCR plan, which provides for repatriation to take place in three phases, over two years, starting from spring this year.

Diplomats and UNHCR officials however are well aware that the plan is purely theoretical, drawn up in response to the Dayton peace accords which required that a timetable be set out for the refugees' return.

They admit it will be an uphill battle trying to send refugees back to war-shattered areas where a US-brokered peace remains fragile.

"We expect a concrete plan, free repatriation and financing for the return of refugees," Bosnian Prime Minister Haris Siladzic told reporters before the meeting opened.

First priority will be given to those numbering between one and 1.4 million who are still in Bosnia-Hercegovina despite being forced to flee from their original homes by war and policies of "ethnic cleansing" imposed by Serbs, Moslems or Croats.

They would be followed by the hundreds of thousands who fled across the borders into other parts of the former Yugoslavia, including Croatia and Serbia. Finally the half-a-million or more living elsewhere in Europe would be repatriated.

Tuesday's meeting is the first occasion for officials of the main states concerned, including Bosnia, Austria and Germany, to hear details of the programme.

But ministers of those countries will air their own counter-proposals, including demands from governments who agreed in 1992 at the UNHCR's request to ease their immigration policies and afford the war victims asylum on a temporary basis.

Germany in particular, which is sheltering 320,000 refugees — half of all the refugees who fled to western Europe — wants them to return more quickly than the UNHCR plans.

Ogata, for her part, said that circumstances which favoured the granting of temporary protection were no longer present now that peace was taking hold.

"But I must stress that the lifting of temporary protection, like the granting of it, must be humanitarian, both in its objectives and in its implementation.

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"Rather than settling a date now, I think that it would be helpful and more appropriate to agree on a number of clear benchmarks," she said.

Such conditions could include full implementation of the military aspects of the Dayton peace accords, an amnesty for minor crimes and an international mechanism to guarantee the protection of human rights.

"These constitute in our view minimum conditions," she said.

The lifting of temporary protection could take place before elections due between June and September, as long as all goes according to plan, she said.

But she urged host countries to steer clear of forced repatriation and to take into account the problems of housing the returnees.

"Governments would otherwise also risk receiving a large number of fresh asylum requests, she warned.

She also wants the repatriation plan to include clauses allowing flexible return — for example letting refugees pay a preliminary visit to Bosnia to prepare for reintegration, while retaining the right to return to the host country.

The UNHCR already accepts that many will not be able to return to their homes, settling instead for areas where their ethnic group — Serb, Moslem or Croat — is in the majority.

B-H: Refugee Conference on 'Flexible' Repatriation

AU1601164896 Paris AFP in English 1549 GMT 16 Jan 96

[FBIS Transcribed Text] Geneva, Jan 16 (AFP) — Representatives of some 40 countries attending an international conference on the return of some two million refugees to Bosnia on Tuesday [16 January] approved a more flexible version of repatriation plans, a UN spokesman said.

UN High Commissioner for Refugees Sadako Ogata said the initial two-year plar would be modified to allow its three phases to overlap.

"We must be at the same time pragmatic and flexible," said Ogata, who warned the conference that host countries should not press for a hasty repatriation of refugees, warning it could threaten Bosnia's fragile peace.

Ogata told the conference that the UNHCR would first of all tackle the problem of refugee centres in Bosnia.

The UNHCR would shortly help with the repatriation of refugees who already have somewhere to go in Bosnia.

The UNHCR hopes that 500,000 people displaced inside Bosnia will this year be able to return to their homes or to a region where their ethnic grouping is in the majority.

Ogata said the organisation also planned in 1996 to ensure the return of 400,000 refugees, half of whom currently live in western Europe.

Initially the plan gave priority to the 1.2 million refugees displaced within Bosnia itself.

The second and third phases covered the return of the estimated 700,000 refugees now living in the former Yugoslavia and the 500,000-700,000 living elsewhere in Europe.

Germany had criticised the original three-phase plan scheduled to begin in spring this year. It has played host to some 320,000 refugees at a cost of some five billion dollars.

German Interior Minister Manfred Kanther told journalists Bonn wanted a speedy repatriation but added: "We do not want to chase away people who have been living (in Germany) for two or three years."

Bonn wanted a "significant departure" of refugees within a reasonable timeframe, but he added there was "no reason to conduct the process in haste."

The UNHCR will launch an appeal for funds next month. The agency estimates it will need up to 400 million dollars to fund operations in the former Yugoslavia this year.

The aid agency said it would shortly release an initial 30 million dollars to fund housing projects for returning refugees.

UNHCR spokesman Ron Redmond said the conference had approved setting up a vast network of information on conditions on the ground.

B-H: Red Cross on Obstacles to POW Release

BR1801152896 Paris LIBERATION in French 18 Jan 96 p 11

[Interview with Beat Schweizer, International Committee of the Red Cross representative in Sarajevo, by Helene Despic-Popovic in Sarajevo; date not given: "'There Must Be an Answer About Those Who Disappeared in Srebrenica' — This Is the Main Obstacle to the Release of the Prisoners"]

[FBIS Translated Text] *Sarajevo — The release of prisoners in Bosnia, which according to the Dayton agreement is supposed to take place before 19 January, continues to stumble over the question of the thousands*

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of people who disappeared from the Muslim enclave of Srebrenica, which fell into the hands of the Serbian forces in July 1995. Yesterday Bosnian Foreign Minister Muhamed Sacirbegovic said he was ready to accept the release of the prisoners if the multinational peace force guarantees "access to the presumed mass graves in the area around Srebrenica and the Ljubja mine" (in northeastern Bosnia). Beat Schweizer, head of the ICRC [International Committee of the Red Cross] delegation in Sarajevo, explained the complexity of the operation to LIBERATION.

[Despic-Popovic] What reasons are put forward by the Bosnian Government to delay the releases?

[Schweizer] It wants answers about the 3,000 people who disappeared from Srebrenica and demands the release of the people — it says 1,000 people — forced to work in Banja Luka. We share these concerns absolutely. We also think that the Serbs must give an answer, which we have been asking for in vain since September, about the fate of the 3,000 people who disappeared from Srebrenica. We have sent them a list of names drawn up with the aid of the testimonies of families. As for the people forced to work, they are non-Serbs from the Banja Luka region who did not want to serve in the Serbian Army. They have been obliged to carry out a sort of civilian service. The problem occurred in October after the arrival in Banja Luka of a large number of Serbian refugees following the Croatian-Muslim offensive toward Prijedor and the expulsion of 6,500 non-Serbs from the town. A large group of these families arrived without their men. We succeeded in following up these people and putting them in contact with their families. They are in the process of being demobilized. And we think that with the freedom of movement which should be reestablished soon, they could either rejoin their families on the other side of the old front line, or be rejoined by their families.

[Despic-Popovic] What is the position of the ICRC on this subject?

[Schweizer] Our wish is that different subjects should not be connected. The release of the prisoners must be a humanitarian act without political connotations. At the end of a conflict there is no longer any reason to hold people. They should not say: Those who disappeared first, and then the prisoners. We know by experience that this can take a long time. Look at the example of Vietnam or Cyprus, and even World War Two. We still have an office employing 60 people which deals with this latter issue in Germany.

[Despic-Popovic] Why is the Bosnian Government risking a political clash when it has signed the Dayton agreement?

[Schweizer] The subject of the people who disappeared from Srebrenica is extremely emotional. Each family still hopes to see its people reappear. And this hope will fall once the prisoners are released. The families know better than us what happened in Srebrenica, but everyone tells themselves that perhaps their husband, father or brother is among those held.

[Despic-Popovic] For the Bosnian authorities is it about forcing the Serbs to admit that they murdered all these people?

[Schweizer] That could be one of their political goals. For the reconciliation of the country answers must be given not only about Srebrenica, a single event, but also about other incidents, Prijedor, Hadzici or Bugojno, where the Serbs are not the only ones in question. But we do not agree with the fact that prisoners, who could rejoin their families today, must remain held in order to obtain these answers. The Bosnians have produced a list of 24,000 disappeared people and the Serbs a list of 12,000. We know that this war was one of the most brutal ever to have existed. The problem is that the Dayton agreements settled everything in detail, without dealing with saying who will be responsible for finding out the truth on things like Srebrenica.

B-H: Karadzic Stresses Sarajevo Serbs' Rights

LD1801173996 Belgrade SRNA in Serbo-Croatian 1418 GMT 18 Jan 96

[FBIS Translated Text] Sarajevo, 18 Jan (SRNA) — A meeting of the headquarters for the implementation of the Dayton agreement in the area of Serb Sarajevo, chaired by Dr. Radovan Karadzic, president of the Serb Republic, started in Pale at 1300 today.

Also attending the meeting were Momcilo Krajisnik, president of the People's Assembly of the Serb Republic; Rajko Kasagic, prime minister; Prof. Vojislav Maksimovic, president of the Serb Sarajevo assembly; and the presidents of the municipalities of Serb Sarajevo and eastern parts of the Serb Republic.

Opening the meeting, President Karadzic announced that today's agenda will comprise "the present condition and plans" relating to the resolution of the problem of Serb Sarajevo after the signing of the Dayton agreement.

The president of the Serb Republic emphasized that Sarajevo Serbs will not give up "the right to their city, government, and property." He added that the state leadership "has already taken some diplomatic steps" in keeping with this commitment.

Immediately after it opened, the meeting was closed to the public.

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B-H: Banja Luka Liberals Criticize RS Leaders

AU1601195896 Belgrade NASA BORBA in Serbo-Croatian 15 Jan 96 p 4

[Report by I. Kistic: "Karadzic Has No Influence"]

[FBIS Translated Text] The Liberal Party from Banja Luka takes the view that the Serb national issue can only be settled within Bosnia-Herzegovina. The party members think that if the Serb Republic [RS] joins Serbia, the RS will remain a military outpost forever. The Banja Luka Liberals will scale down their daily political activities and turn toward the reconstruction and development of Bosnia-Herzegovina. The party has already set up a fund for development that has been approved by numerous world institutions. This is how Miodrag Zivanovic, president of the Liberal Party of Banja Luka, presented this party at a meeting of the Belgrade Circle last Saturday.

He stressed that the return of the refugees of all nations in the RS is of exceptional importance. "This will be a difficult process. For the time being, we can only enable a few individuals and friends to return," Zivanovic said.

According to Zivanovic, Radovan Karadzic now only has influence in Pale, the part of Sarajevo held by the Serbs and the police. As Zivanovic stressed, the economy of the RS is only working at 8 to 10 percent of its capacity, the demobilized soldiers have nowhere to go, and people eat in soup kitchens. "The ideology of blood and land is present all the time. It is paradoxical, however, that there is no nationalism on the front lines," Zivanovic claims. According to him, during the war, there were a lot of clashes among war profiteers in which as many as 15 people used to get killed. These fights were often declared as "ethnic cleansing."

Speaking about the mentality of the leaders of the RS, Zivanovic said: "When the RS vice president (Biljana Plavsic) visited war disabled, she greeted them with the words: 'I am glad to see you in these numbers.' In his reply to the letter that I sent to the assembly calling for the replacement of Krajisnik, and in which I also said that we do not have a single friend in the world, Krajisnik said: We have one, Jesus Christ. In a village near Sanski Most, there is a notice in a local shop saying: "Serb independent shop," while the Academy for the Conservation of Serb Artifacts has been opened in Visegrad."

[Box, p 4]

"Last Plunder"

Zivanovic explained the departure of Serbs from the parts of Sarajevo under Serb control as follows: "Krajisnik has ordered that all factories in the city be dismantled. Where the factories are being moved to is a secret. People are being left without jobs and are forced to follow the factories. This is the last and the saddest form of plunder of the people."

B-H: Serbs Claim Territory Lost With New Map Scale

AU1901102796 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 18 Jan 96

[FBIS Translated Text] At Sarajevo airport today members of the Commission for Borders between the Serb Republic and the Muslim-Croat Federation, headed by Deputy Prime Minister Velibor Ostojic, talked to U.S. IFOR General Wesley Clarke about specific issues regarding the demarcation of borders between the two entities.

Most of the discussion was devoted to changes that occurred following the shifting of the borders from a map on the 1:800,000 scale to one on the 1:50,000 scale; it was determined that there is a difference of 220 square kilometers at the expense of the Serb Republic.

Members of the state commission pointed out to General Clarke that it is necessary to correct this mistake, particularly in the Majevica and Birac areas, which are the most contentious areas on the above-mentioned maps. According to General Clarke, corrections on the demarcation maps can only be arranged between representatives of the Serb Republic and the Muslim-Croat Federation. Clarke suggested that the Serb Republic nominate by Monday 22 January the members of the delegation to resolve all disputed demarcation issues with representatives of the Croat-Muslim entity in Washington. The date for the meeting in Washington was not specified.

B-H: Serbs Call For Correction to Changed Maps

LD1801184196 Belgrade SRNA in Serbo-Croatian 1654 GMT 18 Jan 96

[FBIS Translated Text] Sarajevo, 18 Jan (SRNA) — Members of the [Bosnia] Serb Republic's Commission for Borders with the Muslim-Croat Federation held talks on specific problems in drawing borders between the two entities with the Implementation Force's U.S. General Clarke at Sarajevo airport today.

The state commission for borders, which is headed by Velibpr Ostojic, Serb Republic deputy prime minister for social issues, consists of Colonel Mihajo Djordjevic, a representative of the Serb army's chief of staff, as well as Zoran Vujanovic and Djordje Dutina.

In addition to the overall issue of borders between the Serb Republic and the Bosnia-Herzegovina Federation, the talks today focused on changes to the maps which

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occurred when the borders between the two entities were transferred from a map on the 1:600,000 scale to a map on the 1:50,000 scale. They also discussed the arbitration on Brcko.

Most time was devoted to the discussion of changes which occurred when borders between the two entities were transferred from a map on the 1:600,000 scale to a map on the 1:50,000 scale, after which it was established that the Serb Republic had lost 200 square km.

Members of the commission told General Clarke, the main Dayton expert on borders, of the need to correct this mistake, particularly in the areas of Mount Majevica and Birac, which are the most contentious areas on the maps.

It is necessary to correct maps of territorial division in order to coordinate percentages of territorial division of Bosnia- Herzegovina which, according to the U.S. general, cannot be resolved at this level, but only by representatives of the Serb Republic and the Muslim-Croat Federation.

Clarke said that the Serb Republic should appoint a commission by 22 January to resolve contentious issues of territorial division at a meeting with representatives of the Croat-Muslim entity in Washington. The date for the meeting has not been set.

Talks between commissions for borders of the Serb Republic and the Federation of Bosnia-Herzegovina which started yesterday should be resumed at 1600 today.

B-H: Sacirbegovic Views Foreign Ministry Situation

AU1801182796 Sarajevo FOCUS in Serbo-Croatian 11 Jan 96 pp 7-9

[Interview with Muhamed Sacirbegovic, foreign minister of the Republic and Federation of Bosnia-Herzegovina, by an unidentified correspondent; place and date not given: "My Duty Is To Implement the Bosnian Policy, Regardless of Whether I Agree With It or Not"]

[FBIS Translated Excerpt] Bosnia-Herzegovina Foreign Minister Muhamed Sacirbegovic ranks among the younger politicians who proved at the very beginning of this war through their involvement in state tasks that they are not to be reckoned with. In the past few months, as chief of diplomacy he managed to set in motion a process that, on one hand, met with sympathy and support and, on the other, condemnation and protests.

His latest moves that caught the public's eye were his resignation as foreign minister during the Dayton talks and a sharp verbal duel between himself and his subordinate ambassador in London, academician Muhamed Filipovic.

As he himself admits, he expects to depart this post in the shortest time possible. Although he did not want to speak about it, reliable and well-informed sources confirmed to us that Prime Minister Silajdzic had offered him in Dayton the post of foreign trade minister in the republican government. The posts of deputy foreign minister and finance minister were also offered to him; however, some political circles in the West would prefer to see him as prime minister in the federal government.

At the moment, the option according to which Mr. Sacirbegovic will be appointed a confidential "flying man" en route to New York-Washington-Brussels-Paris-London-Bonn seems the most solid.

[FOCUS] Mr. Sacirbegovic, when you took over this post, you announced a major spring cleaning in the Foreign Affairs Ministry. To what extent did you manage to realize this intention?

[Sacirbegovic] As usual, not as much as I wanted to. However, we have achieved some things, nevertheless. For example, we are now completing the systematization of jobs within the ministry and completing the inclusion of all embassies in the system of financial control of their operations. I believe I should stress that political and military circumstances did not create much ground for any substantial activities on reorganizing the ministry, especially in light of the U.S. initiative a few months prior to the Dayton talks, when, as foreign minister, I was completely involved in the talks on this initiative.

[FOCUS] What do you see as our diplomacy's biggest problem?

[Sacirbegovic] First of all, there is the question of professionalism and the sense of responsibility of our cadre toward the state and this ministry. Whenever we tried to carry out rotations or change employees in the diplomatic-consular missions, we encountered resistance and a lack of understanding [words illegible]. Many of them saw an appointment as ambassador or consul as a good opportunity to have a child educated abroad or to be joined by a wife and escape the military encirclement. I understand all of this to a degree; however, if we want to have professional diplomacy, then the job must come first. [passage omitted]

[FOCUS] Did you ever replace or appoint an ambassador?

[Sacirbegovic] Unfortunately, I did not succeed in this. On a few occasions, I proposed some new ambassadors

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or a replacement of some individuals to the government and the presidency; however, it never came about. There simply was no support for my demands.

[FOCUS] When, if at all, in your opinion will the Bosnian state have a stable and effective diplomacy based on European and international standards?

Instability of Bosnia-Herzegovina Diplomacy

[Sacirbegovic] The state arrangements envisaged by the Dayton agreement will render our diplomacy unstable for a long time, and that is what is worrying. Politics will continue to have a crucial influence on it. You see, I am not abandoning the post of foreign minister because I personally want to but rather to create more ground for the animation and strengthening of the federation and state of Bosnia-Herzegovina. A new man will take my place. Such rapid and frequent changes are definitely not good for any diplomacy that aspires to be serious and capable. Not to mention that the cadre from the Serbian entity will also enter into this ministry with new demands, which will only further complicate relations within the ministry.

Naturally, I am not saying that our diplomacy will not overcome these problems; however, a lot of time will be needed for this.

[FOCUS] A conflict between you, as the foreign minister, and Mr. Muhamed Filipovic, the Bosnian ambassador to Great Britain, has been very prominent in the domestic public lately.

[Sacirbegovic] As far as this matter is concerned, things are clear. For a while, there was no financial control in our embassies; however, as I have emphasized, control has now been introduced in all our embassies. I am not the one to decide whether this or another ambassador will be recalled or replaced; however, my responsibility lies in notifying the government and the presidency if there are any irregularities in their work. Namely, there are great interests at stake, not merely political but also financial, as well as the interest of order and stability of this ministry. The costs in some of our diplomatic and consular missions simply must be cut. This does not merely involve clothing. You would be surprised if I told you about the sums of money involved. [passage omitted]

[FOCUS] Deputy Prime Minister Jadranko Prlic is rumored to be your successor. Will his arrival bring major changes in the ethnic composition of diplomatic and consular missions?

[Sacirbegovic] We in the Ministry of Foreign Affairs have strived to respect Bosnia's ethnic and political structure. I expect that on the basis of earlier long-term agreements, some new ambassadors from the list of the Croatian Democratic Community will be appointed; however, I do not believe that there is a glaring discrepancy in this department right now. [passage omitted]

[FOCUS] Have you already been offered a new post in one of the state institutions?

[Sacirbegovic] There has been a lot of talk on this subject. I have already rejected some offers.

[FOCUS] According to the information we have, you were offered deputy foreign minister from the highest post.

Irreplaceable People Do Not Exist

[Sacirbegovic] I really would prefer not to comment publicly on what posts were offered to me. I do not want to hurt the people who will take the posts that I have been offered, nor do I want to appear to be very important. [passage omitted]

[FOCUS] Therefore, you are staying in the institutions of authority?

[Sacirbegovic] I do not know whether I am staying or not. Let me tell you first that I have been thinking about private business a lot for numerous reasons, and not merely financial. The future of Bosnia-Herzegovina lies in private and not state institutions.

[FOCUS] You have been busy lately with tasks related to implementing the Dayton peace agreement.

[Sacirbegovic] Yes, that is correct. You will admit that this is not something the foreign minister should deal with. However, my experience gained in the peace talks and the contacts that I made with some important personalities, such as Admiral Smith and Mr. Steiner, probably prevailed.

[FOCUS] When you assumed the post of minister, in one of the radio interviews you replied to a correspondent's remark that it was not known how you would act in the event of a collision of official policies of Bosnia-Herzegovina and the United States, of which you are also a citizen, and that such a situation would not occur. Do you still feel the same?

[Sacirbegovic] I do not recall exactly what I said on that occasion; however, this question requires a precise answer. The interests of the United States and Bosnia-Herzegovina are not identical, yet they are similar. My job was and is to harmonize these interests as much as possible, which calls for the United States making bigger adjustments than us. In such a case, we also enjoy the strategic support of a country of its rank.

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As an American, I learned that one can be a very loyal American while at the same time not agreeing with U.S. policy.

As a lawyer, I know that I can separate my personal feelings from the responsibility to the job that one is doing. In other words, this means that it is my duty to head the Bosnian policy regardless of whether I personally agree with it or not. Namely, this policy is shaped at several levels, and I am glad that so far I have implemented its tasks with which I truly identify. Naturally, this does not mean that I would not act like this in the opposite case.

Finally, to conclude, I do not believe that a major collision will occur in the interests of Bosnia and the United States. Our strategic interests have been overlapping more and more lately.

[FOCUS] To what extent do the good relations between Bosnia-Herzegovina and Iran bother our American friends?

[Sacirbegovic] One should not conceal the fact that there are differences between us and the United States regarding our policy toward Iran. I had a debate with Mr. Anthony Lake on this subject. We understood each other and that they were not satisfied with some of our relations with Iran, but they were satisfied with others. In a further debate, we concurred to an extent that Bosnian-Iranian relations can serve not only our interests but perhaps also American interests.

I explained these relations to Mr. Lake as a sort of bridge of mutual understanding between all three countries. [passage omitted]

[FOCUS] Since the times of your work at the Bosnian mission to the United Nations in New York, you have been renowned as the champion of firm cooperation with the Republic of Croatia, as well as cooperation between the Croatian and Bosniak peoples. These relations are currently very strained, especially in Mostar. In whose interest is it, in your opinion, to stall the implementation of the Dayton agreement pertaining to the Federation?

Political Interests Dictate Cooperation

[Sacirbegovic] Regarding our mutual relations within the international framework, I would like to emphasize that we have always strived to differentiate between what Serbia and Montenegro started and what the extremists from the Croatian side did. Second, I could never accept that this was a war between the Serbs, the Bosniaks, and the Croats, although the Bosniaks and the Croats were victims of aggression and genocide. For me, this was an ideological war.

Third, the American public and the international public cannot recall all the details. For that reason, we cannot say one day that the Croats are our friends, the second that they are our enemies, and the third that they are our friends again. In this case, they will neither understand us nor take us seriously.

It has long been evident to me that the political interests dictate a closer cooperation between Croatia and Bosnia-Herzegovina. Our biggest achievement in this department is the Split agreement and the results that ensued. Just prior to the conclusion of the latest cease-fire, I visited Zagreb on behalf of President Izetbegovic and top state officials and agreed on the latest joint action, which resulted in the halt of the Serbian counterattack and the liberation of Sanski Most. This demonstrated once again the need for a closer cooperation of our two countries and nations.

If anything should be criticized, it is the Croatian extremists in Herzegovina who do not understand the meaning and the spirit of coexistence. Naturally, economic reasons are also at stake here, as well as illegal profits that lurk behind political reasons.

[FOCUS] What about "Herzeg-Bosnia?"

[Sacirbegovic] Naturally, of course, "Herzeg-Bosnia" has had two options from the beginning: one within Bosnia and the other outside Bosnia. It is clear to the Bosniaks that the Federation is a precondition for survival and life on these territories. The sooner those who are resisting it comprehend this, the better for the Bosniaks and the Croats. In the opposite case, both of us will suffer.

[FOCUS] Are there also some on the Bosniak side who are stalling the Federation?

[Sacirbegovic] Even if there are, they are truly negligible. Such people usually fear that the functioning of the Federation will reduce their political influence, and there are such people in high places. Ideologically, we clarified this matter and sincerely support the federation. For that reason, we should not reduce certain political differences to a conflict between the Bosniaks and the Croats, as this would be wrong in any case. [passage omitted]

[Box 1, p 9]

"Silajdzic and I Do Not Differ Much Ideologically"

[FOCUS] Prime Minister Silajdzic and you are not exactly on good terms. Has anything changed lately?

[Sacirbegovic] The two of us cooperated well at the beginning and maintained correct relations. All this changed later. I believe that the basic reason for this was

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the prime minister's conviction that he was irreplaceable and predestined for certain posts. This is not only his problem. There are many politicians in Bosnia who think the same.

Otherwise, we do not differ much ideologically. On several occasions so far, we have sat down and discussed matters together and concluded that we champion identical or similar ideas.

B-H: Sarajevo Media Offensive Against Croats Viewed

AU1901112696 Zagreb HRVATSKI OBZOR in Serbo-Croatian 15 Jan 96 pp 34-35

[Article by Mladen Bosnjak: "TV Bosnia-Herzegovina like TV Pale"]

[FBIS Translated Text] In the first half of 1995 in the town of Sarajevo and in 30 other municipalities there were 43 radio and 17 television stations, 105 newspapers, magazines, and reviews were published, and four news agencies distributed their news (reliable data has been gathered in the research of "Media Picture of Bosnia-Herzegovina" carried out by Media Plan from Sarajevo, a society for the reconstruction and development of the media). Media Plan assesses that up to August 1995, there were also some 50 media organizations, which objectively could not be incorporated in the aforementioned research (22 papers in seven towns, 23 radio stations in 22 towns, four TV stations and one news agency).

The media picture of Sarajevo now consists of programs of 9 radio stations, three TV centers, four news agencies and almost some 50 papers, plus or minus 10-20 percent, in that they disappear after one or a couple of issues. A part of the stable Sarajevo press, increasing in circulation, make dailies OSLOBODJENJE, VECERNJE NOVINE, and DNEVNI AVAZ, Muslim national weekly LJILJAN, HRVATSKA RIJEC, biweeklies DANI, SLOBODNA BOSNA, and FOKUS, three months old. Officially, LJILJAN, HRVATSKA RIJEC, Muslim Radio-Hayat, and the Croatian Radio Station Vrhbosna have a national sign, while former BOSNJACKI AVAZ, which has been transformed into today's DNEVNI AVAZ, and FOKUS abandoned national reference. RTVBiH [Radio and Television of Bosnia-Herzegovina] is only formally in the hands of the state, while in reality the influence of the strongest ruling party SDA [Party of Democratic Action] is far bigger than all of the other parties together. All other media mentioned here, that is, all that has the largest number of listeners, viewers, and readers in and out of Sarajevo, have been proclaiming themselves as independent.

Strange Independence

We will be short in our explanation of this independence, both editorial and financial, and we will talk only about the most influential of these.

RTVBiH survives on a thin subscription (up to 20 percent of what it was before the war), gets insufficient contributions from the state budget, with a meager income from TV commercials and earning huge, but not sufficient, compensation for its services to the foreign TV companies. We have already mentioned the dominating political influence on RTVBiH.

OSLOBODJENJE with a present circulation of some 8,000 copies, foreign edition, pretty strong marketing, support from the Soros Foundation, a strong team of commentators, multiethnic structure of their editorial board, is open to different opinions and sources of information, and enjoys a good reputation with the democratic public and champions of civic orientation and multinational Bosnia-Herzegovina.

Independent RTV 99 has strong financial support from abroad, particularly from UNESCO, and in its program it features those who are for freedom of thought and speech, for respect of human rights and freedom, it resolutely supports the civic culture of life and a multinational Bosnia-Herzegovina of equal nations and individuals.

A couple of months ago, the revived SLOBODNA BOSNA, financially supported by Soros, started being published with an initial circulation of 8,000 copies. After six months, it already prints 28,000 copies (half to be sold out of Sarajevo) and without unsold copies. With strong contributors it courageously and openly analyzes all the controversies of the circumstances there.

LJILJAN insists upon national (Bosniak and Muslim) interests, it has distinguished itself as exclusive and intolerant through a number of articles, it is close to the SDA, it is being read in the Army, it is popular abroad, it has strong, very strong marketing, and uses numerous donations that arrive from the diaspora and Islamic countries.

DNEVNI AVAZ, with the political bi-weekly FOKUS, are too "young" to be analyzed more precisely, and are financed from an unknown source (in one day it bought 40 journalists and printers from the Sarajevo VECERNJE NOVINE) which tells us something about the ambitions of those papers to impose themselves upon the public.

Mostar as Paradigm

This short sketch of the most influential media indicated some similarities and some differences.

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The thing that is generally common to all of them is the relationship toward the Croatian partner in the Federation, toward its political stands, and toward its perfectly concrete moves. Both those media in which there is almost no criticism toward the ruling party (SDA), the state, and its heads, and those media in which there is a much greater proportion of such criticism, agree that they will, without exception, beside the official name of the Croatian Republic of Herzeg-Bosnia, obligatorily also put: so-called, self-styled, illegal, or something similar. They will also doubt, with more or less reservedness, and with more or less firmness and exclusivism, the sincerity and justification of the "good and bad intentions" of the leaders of the Croatian Republic of Herzeg-Bosnia, as well as of the HDZ [Croatian Democratic Community], toward the most important question, the one from Washington, on the implementation of the federal organization, and regard Croatian interpretations of why there is no advance in the Federation as unobjective and unconvincing.

Mostar and the Mostar case provide the best illustration of this, and it has been used to "once again, of course, accuse Croats as the crucial and exclusive culprits for all the problems in that town. 'Extremism,' 'radicalism,' and 'fascist-like behavior' are political phrases that have become an inveterate part of the vocabulary of the media over there. A typical Pale form of informing the public and creating negative public opinion about the Croats has been applied." The aforementioned (quote) is only a part of the public communique signed by Messrs. Kresimir Zubak, Jadranko Prlic, Mate Tadic, Martin Raguz, Neven Tomic, Vladislav Pogarcic, and Bozo Ljubic, published in the papers on 7 January. In that communique TVB was mentioned with these words: "On TVBiH, which tirelessly claims that it is objective, and above all multicultural, can one hear different opinions regarding the Mostar case? Do Muslim Bosniaks alone have the monopoly on truth and the right to say something, and in Mostar particularly only Mr. Orucevic?"

The second communique on the day after, in which a group of Croatian officials reacted to the TV interpretation of the first communique, says: "With our first communique, TVBiH again applied the method of its colleagues from Pale. That is, only some parts of our communique were read out, while others, which, according to the claim of the young female announcer were a "personal insult," were not read out to the viewers of TVBiH... Thus, once again, the double professional standards of the employees of TVBiH was proved, and a conscious, not at all incidental, orchestration of an anti-Croatian campaign."

For the time being, the sharp duel between the Croatian officials and TVBiH has finished in the statement of Kresimir Zubak, president of the Federation of Bosnia-Herzegovina and the president of the presidential council of the Croatian Republic of Herzeg-Bosnia, broadcast in the TV journal on 11 January this year (that is, three to four days after the publishing of the communique) saying that the Mostar case and other incidental situations have to be analyzed and judged upon from many sides, and announcing that this will soon occur in the TVBiH program.

What Does LJILJAN Write?

The fact that the Croatian officials did not mention by name some other Sarajevo media, except for the formulation "local media," probably means that in the opinion of Croatian officials those others, at least when publishing communiques, had been more honest. Or perhaps they have not had a chance to read the following paragraph from one of the LJILJAN's (Bosniak Muslim weekly) texts in the issue of 3 [January]:

"There are numberless examples that tell us about the unscrupulousness of the leaders of the Herceg Bosnian criminal policy. Of course, everything is subordinated to the most supreme objective: to destroy any form of life together and destroy Bosnia as the only true bearer of tolerance here in this area. Even the flooding of the river Neretva, which threatened to cause a disaster of unforeseeable proportions, was assistant to that exalted objective. Perhaps it sounds pathological, but how can one explain the fact that in one (eastern) part of town panic and mobility were brought to the highest pitch, while in the western part of Mostar people were sleeping undisturbed?"

There is no way to explain that, because it would really be pathological (not perhaps) to explain nonsense.

To all this, one has to add that almost all the media in the Bosniak part of the Federation of Bosnia-Herzegovina supplement their general editorial term of reference toward the Croatian Republic of Herzeg-Bosnia and the policy of the HDZ, again in a harder or softer variant, in a more or less reserved manner, with the understanding, interpretation, and explanation of the absolute concord and sponsorship of Croatian state policy over the policy of the HDZ Croats and the exclusivity of Zagreb over Grude.

All Same About Tudjman

FOKUS, in its mid-December issue, summarizes the intentions of the whole Croatian policy toward Bosnia: "All Rights, No Obligations" with a statement that "even what the HNV [Croatian National Council] and

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its president Ivo Komsic have recently been doing, has only blurred the essence of the problem... HNV would like to carry out the pro-Bosnian policy of the Croats in Bosnia-Herzegovina, but it is simultaneously asking for help from those, including also President Tudjman, who have completely different plans regarding the existence of the Bosnian state."

And for the end of this fragmentary (but significant), review from the most recent issue of FOKUS (11 January), it is worth quoting one superhead: "Serious assessments warn that at this moment Milosevic is more prone than Tudjman not to carry out the Dayton agreement, so it would not be a surprise if the Zagreb mentors of 'Herzeg-Bosnia' found a new-old collocutor in Pale"; and the explanation of that superhead:

"So, these are all forced contributions of ethnic intolerance" — the incidents in Mostar, the author's remark — "which are supposed to make the international community draw the conclusion: How can we give Sarajevo to the Federation when it cannot function? Here, in this common denominator, there is the possibility of a Serbo-Croatian deal: a divided Mostar — divided Federation — divided Sarajevo."

All the quotations and reasons for the Croatian officials' protests, particularly toward the TVBiH, readily provide a reason to state that by a media "offensive" on the Croatian partner in the Federation, and by stirring up the public and the politicians of the Bosniak partner, the majority of the Sarajevo media wants the same thing as they ascribe so "loudly and clearly" to the Croatian Republic of Herzeg-Bosnia, to the HDZ, and to the Croats in Bosnia-Herzegovina.

B-H: Croatian Rights Groups Details Mass Grave

AU1201211196 Paris AFP in English
2027 GMT 12 Jan 96

[FBIS Transcribed Excerpt] Zagreb, Jan 12 (AFP) — A Croatian human rights group Friday added fresh details to reports that rebel Bosnian Serb forces had buried up to 8,000 bodies in a mass grave in northwestern Bosnia.

In a statement published in Zagreb, the Croatian Helsinki Committee (CHC) said it had "reliable sources who have personally seen numerous dead bodies" at a mining pit in a Serb-held area of northwestern Bosnia.

"On the basis of the information so far, at least 1,000 bodies are known to be buried at the mine (at Ljubija, northwestern Bosnia) while other reliable sources suggest ... as many as 8,000 bodies might be buried there," it said.

The committee, an independent organisation generally considered reliable, noted that it was only able to investigate human rights violations within Croatian territory.

But it added: "This does not mean that the CHC does not receive information regarding human rights violations in other parts of former Yugoslavia." [passage omitted]

The committee said most of the bodies at the Ljubija mine were buried there between the early summer of 1992 and late 1993, at the height of the rebel Serb campaign of "ethnic cleansing."

The committee, which provided a map of the site with its statement, said the road leading to the mine had been "destroyed in three places in order to deny access to the pit."

The main pit is 25 metres (yards) deep with a surface diameter of 80 to 100 metres (yards). The bodies in the pit were covered in coal dust "to accelerate the process of carbonization which in turn decreases the probability of identifying the victims buried there," it alleged.

"The Ljubija case could potentially be the key to proving the existence of planned and systematic ethnic cleansing in Bosnia," it said. [passage omitted]

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Croatia: Tudjman, Holbrooke Discuss B-H Federation

LD1901113796 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 19 Jan 96

[FBIS Translated Text] The president of the republic [Franjo Tudjman] received Richard Holbrooke, U.S. Assistant Secretary of State for European Affairs in the Presidential Palace today. He was accompanied by U.S. Ambassador to Croatia Peter Galbraith, Deputy Assistant Secretary of State John Kornblum, General Wesley Clark, and Tom Lonstreth, Deputy Assistant Secretary [of Defense] responsible for the forces in Bosnia-Herzegovina.

During the talks they examined issues in connection with the Croat-Bosniak Federation of Bosnia-Herzegovina, particularly its realization, and the implementation of the Dayton peace agreement. Special emphasis was placed on the positive role of the Republic of Croatia and the Croatian state authorities, which is seen by the United States as decisive in the implementation of the said agreement.

Together with the president, the talks were also attended by the president's chief of staff Dr. Ivo Sanader; Deputy Prime Minister Dr. Ivica Kostovic; Defense Minister Gojko Susak; Dr. Miomir Zuzul, the president's special envoy and ambassador of the Republic of Croatia to the United States; Dr. Zeljko Matic, the president's adviser for foreign affairs, and presidential assistant Gen. Kresimir Kaspar.

Croatia: Defense Minister, EU Administrator Meet

LD1901152796 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 19 Jan 96

[FBIS Translated Text] Croatian Defense Minister Gojko Susak has received in Zagreb the EU administrator for Mostar Hans Koschnick, who was accompanied by former Italian ambassador to Croatia Paulo Pensa. Here is a report from Andjelko Perincic:

[Perincic] Minister Susak told correspondents after the meeting about the topics of the meeting.

[Begin Susak recording] The subject of the talks was Mostar and it was agreed, I believe, that we have taken a step forward. Koschnick will probably send a request for the Republic of Croatia to send a number of policemen. We will do this if a request comes from him. He has a meeting on Monday in Mostar, both mayors with Mr. Koschnick, and I believe I will be invited and that there will be progress next week. [end recording]

[Perincic] Adding to what his collocutor said, Koschnick stressed:

[Begin Koschnick recording in English fading to Serbo-Croatian translation] I was talking to Mr. Susak about the request for police forces to be sent to Mostar to assist in stamping out crime. We discussed how to resolve this problem and how we, as officials of the European Union, can assist in this. I believe that we will find out much more on possible solutions next week. I am pleased to have had the opportunity to discuss this with Minister Susak today and that I will be able to exchange views on this with President Tudjman tomorrow. [end recording]

Croatia: Seselj Says UN Shields Croatian 'Crimes'

LD1801211596 Belgrade TANJUG in English 2105 GMT 18 Jan 96

[FBIS Transcribed Text] Belgrade, Jan. 18 (TANJUG)—The recent computer theft from U.N. offices in Zagreb is a part of a process of systematical destruction of traces and data about Croatian and Muslim crimes against Serbs, President of the opposition Serbian Radical Party Vojislav Seselj said Thursday.

Speaking at a press conference in Belgrade, Seselj accused U.N. officials of having assisted the robbers in stealing the computers that stored testimonies of Croatian crimes committed in the republic of Serb Krajina, the state proclaimed in Serb territories in the former Yugoslav republic of Croatia.

The big powers intend to put the blame for the crimes in the former Yugoslavia solely on the Serbs and to sweep Croatian and Muslim crimes under the carpet, said Seselj.

The theft included two central computers with data on human rights violations against Serbs in Croatia in the past four years.

The material was collected by U.N. special human rights rapporteurs, former Polish premier Tadeusz Mazowiecki and his successor, Finnish diplomat Elisabeth Rehn.

An association of Serbs from Krajina and Croatia said that the theft was yet another proof that the Croatian authorities were trying to destroy evidence of Croatian crimes and to give legitimacy to the current situation that resulted from ethnic cleansing of Serbs from territories that had been Serb land for centuries.

The theft is by no means accidental because the attitude of the U.N. Security Council has been extremely indifferent so far, allowing Croatia to evidently ignore its "strong" warnings, the association said in Thursday's letter to U.N. Secretary-General Butrus Butrus-Ghali.

More than 300,000 Serbs have been expelled since the beginning of Croatia's war of secession in 1991.

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About 4,000 Serbs were killed in Croatia's military offensives on the republic of Serb Krajina last May and August while more than 260,000 were forced to flee the region, leaving their homes to be looted and burnt down by Croatian troops.

The association sent the letter on behalf of hundreds of thousands of refugees, as well as Serbs living in the Federal Republic of Yugoslavia whose ancestors had lived in Croatia.

Croatia: Return of Croatian Serbs to Slavonia Urged

AU1901092496 Beli Manastir Srpski Radio in Serbo-Croatian 1700 GMT 18 Jan 96

[FBIS Translated Text] The UN Security Council resolution on the Srem-Baranja province [Serb-occupied eastern Slavonia] will make possible the implementation of the basic agreement signed in Erdut and emphasizes the importance of reconstruction in this area. Our editors have more detail on this statement issued by Milan Milanovic, the head of our negotiation team, on the demilitarization of this area.

[Unidentified editor] According to Milanovic, the Serb side intends to start immediate talks with UN temporary administrator Jacques Klein on the model for the demilitarization of the province. This demilitarization should, as stated in UN Security Council Resolution 1037, be finished within 30 days of the deployment of the UNTAES [UN Transitional Administration for Eastern Slavonia] troops.

It is extremely important for us that demilitarization will not begin before Klein and Butrus-Ghali inform the Security Council that UNTAES is prepared to take over responsibility for the security of the territory and the people.

The term demilitarization is very broad in the basic agreement and the specific model is yet to be agreed upon. We will see whether it will be a dual key model or some other variant, added Milanovic. In his opinion, apart from demilitarization, which is expected to begin in April, the return of the refugees will be another very risky part of the peace operation. The Serb side is prepared to make it possible for Croatian refugees to return, but not before the future of the Serbs who fled from other parts of Croatia and are at present in their houses is resolved. We will be insisting that, for instance, a Serb from Benkovac will not leave the house of a Croat until Croatia has paid him just compensation for the property that he lost. It will be up to him to decide whether to use that money to buy or build a house here or go to the FRY, said the head of the Serb negotiation team.

It will take a great deal of good will and money to solve these problems and Milanovic believes that it will also take a great deal of time. He appealed to all the refugees who have not solved their housing problem in the FRY to come to the Srem-Baranja province and exercise their right to compensation for the property that they lost and only then decide whether or not they will stay here.

Commenting on the right of the temporary administrator to use close NATO air support, Milanovic said it was very important that it could only be used for the protection of UNTAES members, adding that the Serb side would certainly not be doing anything to endanger the UN members or to provide a cause for the use of NATO air power.

He said that it was particularly important that the Srem-Baranja police and customs remain at the border crossings with the FRY, whose work the temporary administration would have the right to supervise. In Milanovic's opinion, it is important that Serb police also remain in the Srem-Baranja province; he said that they would have to do a great deal of work during the transitional period.

Croatia: B-H Delegates Visit Refugees in Croatia

LD1801225196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 18 Jan 96

[FBIS Translated Text] A delegation from Una Sana canton today visited the refugee camp at Kupljensko, in the Republic of Croatia, in another attempt to bring back the population which fled Velika Kladusa. Mirza Sadikovic reports:

[Sadikovic] We have come here on behalf of the Una Sana canton Assembly to extend a sincere invitation to you to return. Our intentions are honorable, everyone should once again take stock and come to join us in rebuilding our country, Bosnia and Herzegovina, to which you also belong, Azem Boric, president of the Una Sana Canton Assembly, said when addressing the exiled population of the municipality of Velika Kladusa who are still at the Kupljensko camp, in the Republic of Croatia.

There are still some 8,000 wretched people there, among them 2,500 children, including 52 orphans. There are some 630 people who suffered serious injuries or are ill, and all of them are accommodated in some kind of stable structures or tents.

Talks were held also with the delegation of the so-called main committee led by Ramo Hirkic. It was said that no one exerts pressure on these people not to return but, as the majority of them stressed during talks, fear is still present.

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They are all afraid, they say, of revenge, they fear the application of Bosnia-Herzegovina law, and so on. They demand the application of the Dayton agreement or an agreement that they have allegedly submitted to the legal Bosnia-Herzegovina authorities on 8 August last year.

The visit of the delegation from Una Sana canton was greeted with attention at the camp of Kupljensko, but there was no hospitality. They are all obsessed with the information allegedly received from Velika Kladusa; that if they return there they will be mistreated and beaten and that they really have nowhere to go back.

At the end, they finally do say: We will return when we are convinced that we will get everything we are asking for.

Bihac or the official authorities from Una Sana canton have taken another step; well-meaning, sincere, and honest, and in the spirit of the implementation of the Dayton agreement.

Croatia: FRY-Bosnian Customs Union Criticized

AU0501145996 Zagreb HRVATSKI OBZOR in Serbo-Croatian 25 Dec 95 pp 15-17

[Commentary by Marko Barisic: "With Izetbegovic to a Mini-Yugoslavia"]

[FBIS Translated Text] The public at large is only partly aware that Alija Izetbegovic (on behalf of Bosnia-Herzegovina) and Slobodan Milosevic (on behalf of the FRY) have written to the U.S. Secretary of State Warren Christopher as an essential part of the Dayton accords. That the content of those letters was not quite predictable in political terms can be seen from the reaction of Sarajevo OSLOBODJENJE, which has published the content of the Dayton accords but has completely ignored the letters. Croatian media have not yet published the contents of those letters either, although they will largely affect the future of this state as much as the general framework agreement on peace in Bosnia-Herzegovina.

The essence of the letters, which, as part of the entire Dayton peace package, are more than nonbinding "letters of intent," is that Izetbegovic and Milosevic, on behalf of the authorities and the peoples of Bosnia-Herzegovina and the FRY respectively, have committed themselves to forming a customs union between the two countries and establishing a joint chamber of commerce, and have also taken on many other diplomatic and humanitarian commitments aimed at economic integration (see the facsimile).

Even if certain clauses of their identical letters are understandable, such as the one about an amnesty for all imprisoned civilians, the establishment of a hot line between the Presidencies of Bosnia-Herzegovina and the FRY, and the resumption of direct flights between Sarajevo and Belgrade, it must be admitted that the two clauses on the establishment of a customs union and a joint chamber of commerce have come as a rather nasty surprise to the public in both Bosnia-Herzegovinan and Croatia. All the more so since Milosevic was insisting even earlier on the strongest possible ties between Bosnia-Herzegovina and the FRY, while Izetbegovic apparently wanted to reduce such ties to a minimum. However, even if he did resist the idea, on the basis of these two clauses it can be concluded that either his position was so weak that he was not able to avoid signing the agreement or his signature involves something else that the Bosnia-Herzegovina Croats may fear. This is particularly the case following the establishment of the Cooperation Council between Croatia and the Federation of Bosnia-Herzegovina, which actually means that the Croatian side has indirectly given up the confederation between the two states as anticipated by the Washington accords.

In order for you to understand how serious those letters and signatures are, we cite the two questionable clauses: first, the customs union:

"Considering it a priority, my government will take part in talks at the highest expert level to adjust its customs policy so as to make possible the establishment of a customs union between the two countries."

Second, the chamber of commerce:

"My government will make practical efforts to establish a joint chamber of commerce to promote trade and economic development in both countries...."

We also cite the clause on economic development: "My government will take the necessary measures to establish a bilateral board for economic integration and the development of the infrastructure so as to advance bilateral cooperation on projects concerning both countries...."

In fact, the basic question is what Milosevic is getting with this and what Izetbegovic is losing. Some analysts say that Milosevic needed such letters to win customs freedom for the Serb Republic, that is, to bind this entity as closely as possible to Serbia by its relative statehood through the customs union, chamber of commerce, and joint developmental and infrastructural investment. If the course of events moves in this direction, Izetbegovic will lose any kind of link (he has already lost the political connection through his acceptance of a Bosnian Serb government, parliament, army, and police force), and consequently those regarding customs and

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economy, with the Serb entity [in Bosnia-Herzegovina], which will gradually evolve into an associate part of Serbia in the course of time. This will happen because at the Drina River, the border of Bosnia-Herzegovina, there will be no customs posts and most probably no border guards, either.

However, an additional question that the Croats are asking themselves is what will happen if Izetbegovic decides to include the other entity, namely the Federation of Bosnia-Herzegovina (because the agreement refers to the whole of Bosnia-Herzegovina and the FRY), in the customs and economic union. Would that mean that the regions under Bosnia-Herzegovina Croat control will again finds themselves in a unified customs and economic space to which some are referring as a mini-Yugoslavia? Izetbegovic is not unhappy with such ideas because even before the outbreak of the war he was considering the possibility that, by adding the entire Bosnia-Herzegovina to Yugoslavia, he could create for his people in the first place, that is, the Muslims, a stronger framework for survival. Then he had in mind chiefly Sandzak and Kosovo, which, being regions predominantly inhabited by Muslims (even though in Kosovo it involves the ethnic Albanian majority), would create a stronger position for Muslims vis-a-vis the Serbs. In that case, it is the Bosnian Croats who would be the victims, who would end up in a completely different state than the one for which they fought and agreed (albeit half-heartedly) to live in by accepting the Federation of Bosnia-Herzegovina. However, that possibility of involving Bosnia-Herzegovina alone in new integrational processes with Yugoslavia is unlikely because the Serbs in the first place do not want it, while the Croats can also remove the possibility by exercising their veto in the Presidency and Assembly of Bosnia-Herzegovina.

However, despite this, the Izetbegovic and Milosevic letters have been understood among some of the public as a reconstruction of Yugoslavia, which would also involve Croatia. Had Croatia accepted confederation with the Federation of Bosnia-Herzegovina, as anticipated by the Washington accords, this would most probably have been the case. However, with little public outcry, even from the political representatives of the Bosnia-Herzegovina Croats, instead of a confederal treaty Croatia and the Federation of Bosnia-Herzegovina have linked up only through the Cooperation Council. The Council is a sort of agreement between the two sovereign states that does not anticipate any special state relations. In this way Croatia, remaining independent but also leaving the Bosnia-Herzegovina Croats without their promised confederation, has avoided the restoration of a mini-Yugoslavia through an integral Bosnia-Herzegovina (of course, such a Yugoslavia would still be without Slovenia and Macedonia), which would have been difficult to avoid had the confederation been formed, because the stance of the international community, and even of the United States, has always been the parallelism of rights. This means that the Serb Republic has as much right to confederate with Serbia as the Federation of Bosnia-Herzegovina has with Croatia.

After the establishment of the Cooperation Council, which has never been a secret, and the Izetbegovic and Milosevic letters, which are still being kept secret, some experts of European institutions believe that the future of Bosnia-Herzegovina could develop in two directions. The first is that because of complementary economies, communications, strategic facilities and so forth, Bosnia-Herzegovina will reintegrate into a whole precisely by means of the economy. The second, which has more supporters, is that the Dayton accord, and certainly the content of these letters, will actually bring about a Cyprus syndrome in Bosnia-Herzegovina, which means that two states will be created that, as time goes by, will increasingly move apart from each other. This means that the Serbian entity will naturally come increasingly close to Serbia, as is already being assisted by current circumstances, while the Croats, being a legitimate half of the second entity, namely the Federation, will tend to form the closest possible ties with Croatia. This will be obstructed by the Muslims through various institutions, which will try to interpret the Federation of Bosnia-Herzegovina in various ways as their own, rather than a joint state. There is also the possibility, which is, it is true, less probable, that the Muslims will lean toward Croatia together with the Bosnia- Herzegovina Croats. However, in view of their status as victims and their fully grown national awareness, particularly considering the processes developing in the territories under their control that imply the development of an exclusively Muslim state, this possibility is unrealistic.

This all means that the Dayton agreement, particularly with the letters about a customs union of Bosnia-Herzegovina and the FRY, rather more implies the future partition of Bosnia-Herzegovina according to the current demarcation lines between the entities, which means that fears of possible restoration of a Yugoslavia of some kind are not too realistic.

All this applies, of course, provided that the Dayton agreement is the definitive settlement for Bosnia-Herzegovina and that nothing else will happen on its territory. Those who are more familiar with the situation claim that the Muslims have accepted this solution to get the whole of Sarajevo, money for reconstruction, and arms, so that they can start a new, definitive war to establish their own Muslim state in a certain part of

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Bosnia-Herzegovina. The Croats would not mind such a development, all the more since it is expected that before NATO's departure from Bosnia after one year (if it leaves at all) the problem of eastern Slavonia will have been settled. With this, Croatia's integrity will have been secured, while by controlling those areas in Bosnia-Herzegovina along the Croatian border any possible hot spots that might endanger Croatia in the future would be eliminated. Besides, Herzeg-Bosnia has not been abolished by joining the Federation of Bosnia-Herzegovina, as some like to say. It is just being transformed and the HVO [Croatian Defense Council] still remains a legitimate force to defend the region.

From this perspective, the letters of Izetbegovic and Milosevic are not so important. On the contrary, those letters represent Alija's capitulation, so it is quite obvious why he is keeping silent about them in Sarajevo.

Croatia: Opposition Criticizes Tudjman 'Cult'

LD1701214096 Belgrade TANJUG in English 1757 GMT 17 Jan 96

[FBIS Transcribed Text] Zagreb, Jan 17 (TANJUG)—Croatia's opposition parties severely criticized Wednesday President Franjo Tudjman, accusing him of introducing dictatorship and personality cult.

The Croatian opposition criticised Tudjman with reference to his state of the nation address to parliament on Monday.

Jozo Rados, vice president of the strongest opposition Social-Liberal Party, told the Rijeka NOVI LIST daily in an interview that Tudjman's address was typical of 'authoritarian regimes.'

Rados added that Tudjman was blaming all failures on 'adversaries, international conspiracy, foreign powers, but never mentions his own mistakes.'

In another interview in the same daily, secretary general of the Croatian National Party Stjepo Martinovic stated that time had come to say that the president was 'marching into a dictatorship.'

Martinovic went on to accuse Tudjman of 'social poverty and the disastrous state of democracy in Croatia.'

Marko Veselica, leader of the Croatian Christian-Democratic Union, assessed that Tudjman's address accounted for the 'building of a personality cult.' He recalled that even a parliamentary debate on Tudjman's address had been rendered impossible.

Anto Djapic, leader of the extreme right-wing Croatian Party of Rights, voiced his disagreement with Tudjman's assessment that the war was now over, because, as he put it, he disbelieved in 'a peaceful reintegration' of Eastern Slavonija, Baranja and Western Srem.

Milan Djukic, president of the Serb National Party, found Tudjman's address 'teaming with threats and warnings to all those who fail to show absolute obedience and work as they are told.'

Silvije Degen, leader of the Social-Democratic Action of Croatia, held that Tudjman's address boiled down to self-praise without any criticism of obvious mistakes and failures.

Croatia: Reasons for Rift in HSLS Examined

AU1201152896 Zagreb HRVATSKI OBZOR in Serbo-Croatian 8 Jan 96 pp 18-21

[Article by Ratko Peter: "Breakup of Populists and Elitists"]

[FBIS Translated Text] If only few months ago the main people in what at the time was clearly the strongest opposition party in Croatia persistently claimed that "there was no crisis in the party" and that all this was a "planned media strategy because the media persistently created and fostered disputes to ravage the HSLS," (Rados), then today it is quite clear, especially after the elections, that these statements were more the result of wishful thinking than the actual situation. There is no doubt that the Liberals are currently in the grip of their longest and biggest crisis. The crisis that many thought had ended with the elections appears to be soaring to new heights, this time probably with a dramatic epilogue. The leading HSLS people have already announced fierce standoffs. The clashes in the party—this is now clearer than ever—are the result of organizational shortcomings, personal promotion and mutual misunderstandings, ideological rambling, and poor election strategy. Finally, the poor election result and collective frustration pushed the yellow-blue party into the most delicate situation in its existence. However, let us take things one step at a time.

Although the HSLS had the image of a party that has most skillfully concealed its dirty laundry, plenty of it has surfaced in the time from the division into "populists" and "elitists" (Vilfan himself confirmed this in a media duel with a former "comrade" Damir Zoric) to the highly mysterious party elections at the Osijek assembly. The time preceding the election campaign marked the onset of a great Liberal crisis, a crisis that has lasted for months and the extent of which exceeds the previous one, which was not so long ago. This time a solution could be expected in the upcoming party convention, which is due at the end of January, though there are those who believe that not even a party convention will salvage much.

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Electorate Halved

It was maintained before the elections that the party had been purified, especially after "the vocal" defections of Damir Zoric, Mate Mestrovic, Split Mayor Grabic, and Governor Primorsko-Goranski Roje (all of them to the HDZ [the Croatian Democratic Community]) and after numerous defections at local level. At that time it was still believed that Drazen Budisa, with his party authority or charisma (which, it is true, he still exudes, albeit somewhat less brilliantly) will manage to take control of the situation in the party, "appease" the factions that were still present or "reactivate" some people, primarily Vlado Gotovac, who were politically inactive for a while. Despite everything, apart from people, the HSLS also lost its voters, who, as the electorion results showed, were cut by half. The reasons probably lay in the fact that the party, apart from its considerable political ambiguity (especially the verbal elitism), acted politically very "colorfully" in Split, Rijeka, Trogir, Varazdin, Zagreb, and until recently also in Samobor. It is quite incomprehensible, for example, that after the Split affair when the HDZ scooped the mayor and a few councillors from the Liberals (and, thus, acquired a majority in the municipal assembly) and following the HDZ's "kidnapping" of two deputies, the HSLS simultaneously made "a pact" with the HDZ in Rijeka, where it had the biggest number of councillors in the town assembly, to topple [Mayor] Linic. The epilogue was clear. The charismatic and politically incisive Linic survived, entered the National Assembly, and homogenized the Rijeka electorate around himself so that the HSLS candidate stood no chance. The crisis, which was believed to be dying down with the onset of the election campaign, was merely prolonged. The timing of the crisis (Was it really commissioned by the HDZ, as the Liberals claim?) was evidently very unfavorable for the HSLS, and the Liberals' poor performance is proof of this. All this additionally aroused passions. This time around they evidently plan to go to the end and in the present constellation of powers one cannot rule out that heads will roll. The biggest electoral losers is definitely not the Liberals' slogan of choice.

"Oppositionist HDZ"

"They acted like the oppositionist HDZ, simply rejected any proposals by the opposition parties to form coalitions, considered themselves sufficiently strong and even rather pleased with themselves in relation to other opposition parties," one of the opposition leaders remarked informally. Mladen Vilfan, currently considered Budisa's greatest opponent, uttered something similar publicly. With such anticipations and after all the rejected proposals for cooperation by the opposition (Budisa on no account wanted cooperation in a coalition that would involve the IDS [The Istrian Democratic Congress], which is a party toward which he is very reserved), the election outcome came back to them like a boomerang, with astonishing results. The HSLS won only 11.5 percent on the state list (less than the previous 18 percent, and less than the coalition of parties) which created all the conditions for the alarming situation. Visibly shaken, Budisa found it difficult to conceal his general frustration before the television cameras. Furthermore, he publicly admitted defeat when he said: "I consider myself responsible and I am also considering resigning as party president."

Whose Is State List?

In this context, it was the HSLS state list, that is, its makeup, that caused the latest dissatisfaction and instant party divisions. Although Budisa said later that the list "was not his, but the result of a compromise" (Vilfan claims that the list was exclusively Budisa's) it is indicative that nobody in the party was made familiar with it until the last moment, as is Budisa's insistence that the list remains unchanged. The list was not the most fortunate solution, although it cannot be disputed that in a party that many say sports very strong intellectuals it is difficult to steer among different wishes, needs, sympathies, and tendencies, and then sum them all up in 15 plus names. Budisa undoubtedly went through considerable tribulations here. On the other hand it is totally inexplicable why "the cream" of the HSLS (with the exception of Ivo Skrabalo) was rather languidly and without a shred of desire for political competition passively "enthroned" on the state list, in the expectation that by repeating the last results or doing even better (Bozo Kovacevic: "We will win more than 20 percent!"), some 20 people would end up in the National Assembly by virtue of some simplistic politically-hedonist automatism. The assessments were wrong, some powerful Liberals remained outside the doors on Mark's Square, and this evidently hurt Vilfan and Fizulic the most, transforming them into Budisa's staunchest opponents. Speaking about the list, we should stress what is a public secret, namely, that simply nobody wanted to stand in the electoral units, probably out of fear that some of them might be defeated by the ruling party's candidates. Wrong assessment again. For example, rather anonymous Liberals Branko Levacic and Ante Tukic won in a Medjimurje and a Split unit, many in central Zagreb considered Ivo Skrabalo the moral winner over Miksa, and the question is what would be the result if a more seasoned Liberal had stood in Novi Zagreb instead of young Mario Livaja (he won only 6 percent less than Zarko Domljan). By

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the way, the public expected a big standoff between Glavas and Kramaric in Osijek. In this way a rather powerful group of men—Fizulic, Vilfan, Antic, Zenko, Vilim Herman, Cedomir Dundovic (the first man of the Rijeka Liberals) and Dorica Nikolic—remained outside the National Assembly as a potential danger to Budisa.

New Divisions

In any case, the HSLS is clearly divided today. One faction is headed by Drazen Budisa. He is accompanied by Jozo Rados, who should, according to Budisa, become his successor. The highly-placed Djurdja Adlesic and Ivica Ropus will have to pay for being in the National Assembly with their loyalty to Budisa, and the same can be said of Bolta Jalsovac and even Ivan Herak, although both had been senators before. In the realm of the economy the latter managed to "push out" Vilfan and Fizulic, and he evidently enjoys Budisa's greater sympathy. By the way, Herak comes from the politically shaky Istria, and Budisa probably wanted to have somebody from the peninsula whose political views were clear and unburdened by the mutual squabbles between the HDZ and the IDS. At the moment Goran Granic is preoccupied with his (non) appointment as major of Zagreb, Franjo Zenko evidently plans to become inactive, while Ljubo Antic simply ceased to be a Liberal. Unofficially, Antic was supposed to be high on the party list. However, after a correction that resulted in his not entering the National Assembly, Antic decided to steer away from politics. It is also known that the HSLS was dissatisfied with the way in which Antic chaired the human rights committee, being "too lenient" in the face of some blatant human rights violations. Since Antic did not become the Croatian Mazowiecki he did not enter the National Assembly. In the past he was a victim of the very conspicuous party elections in Osijek and he probably decided to leave by himself. Vlado Gotovac and Zlatko Kramaric could be seen toeing the middle line, and the way things stand now it cannot be ruled out that the two of them will bow to one of the options, if necessary. On the other side, Mladen Vilfan is Budisa's fiercest opponent, and there is also Goranko Fizulic and party secretary Bozo Kovacevic. Although Vilfan stresses that he "does not want to be the president" (reportedly Bozo Kovacevic no longer wishes to be the party secretary) the fact is that all three consider Budisa to be the culprit mainly responsible for the electoral results, which automatically means he needa to give up the position of the first Liberal. However, the impression is that Kovacevic and Vilfan stand on different positions. Kovacevic has already clashed with Budisa, but the fact is that the HSLS main secretary acts rather emotionally and it is believed that his conflict with Budisa is essentially not as profound as Vilfan's. Even Budisa himself noted that "he did not observe the two men being driven by the same idea." The main objection to Budisa is evidently his presidential style of running the party, while on the other hand, Budisa considers Vilfan and Fizulic too great an elitists, the Liberals unsuited to the present Croatian moment.

It is quite clear that the HSLS will have to change a great many things, that a party spring cleaning is needed more than ever, as in the opposite case the party could erode further, ultimately ending on the political margin or perhaps even as a non-parliamentary party, which equals political suicide. Mladen Vilfan and Goranko Fizulic are clearly the most dissatisfied within the party, obviously not entering the National Assembly has had a frustrating effect on them. The question is how much this fact will turn off the HSLS's financial tap because Budisa himself admitted that they financed the party. A smaller portion of the party at the Grand council challenged Budisa. However, the critical mass for toppling him does not exist at the moment. On the other hand, Budisa is grooming Jozo Rados for his post, and he proposed Vilfan, Granic, and Herak as party vice presidents not long ago. It nevertheless seems that when all is said and done Budisa is still not quite clear whether to abandon his post or go for an all-out conflict as he announced. In any case there is still plenty of time for various pacts and lobbying before the Liberals' congress.

Croatia: Interior Minister Discusses Police Role

AU1201121796 Zagreb VJESNIK in Serbo-Croatian 30 Dec 95 -1 Jan 96 pp 10-11

[Interview with Ivan Jarnjak, Minister of Internal Affairs, by Jasminka Ivancic, in Zagreb; date not given: "Once a Policeman—Always a Policeman"]

[FBIS Translated Excerpt] [passage omitted]

Question of Artistic Impression

[Ivancic] The Croatian police is probably the only police in the world that has been doing a military job—waging war and defending its homeland. After returning to basic affairs, do you think that situations will occur in which they will have difficulties adjusting their behavior in their regular job?

[Jarnjak] Well, we have not had such cases. Let us say, our organized approach to returning policemen to their basic duties started in the fall of 1991, some time in November, when the Ministry of Defense established the Croatian Army and took over all the combat and military activities that had until then been conducted by the Ministry of Internal Affairs, and then we decided to release a section of the reserves so that some of these went immediately into HV (Croatian Army). There have been no illegal procedures

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or violations of authority which could be ascribed to the consequences of participation in war. There have been breaches in procedure—such infractions occur in every police—because they are only human with all of their good and bad features. But in such cases we apply disciplinary measures, we have a department that regulates procedural legality, and what is important, every complaint submitted by citizens about police conduct is checked. Our citizens are also given feedback on what we have done and found out, and adequate measures are applied if there has been any transgression.

[Ivancic] Recently several incidents have occurred that could cast a shadow on the Croatian police even to the degree that one could read reactions saying that Croatia has become a police state. Can you comment on that?

[Jarnjak] You see, as long as the police works within the framework of the law and the Constitution, and as long as it works through an institution, there cannot be a police state. The police state is one in which the police does everything, makes arrests, passes verdicts, commits to custody... Here the police does only what is determined by the Constitution and law. Whether one likes it or at times not, that is something else, has there been any violation of authority, yes, there has. However, when the subject under discussion is, for instance, Samobor, which has arisen exclusively as a case—because the public was not informed in time about what really happened over there, though I constantly insisted on this: And I say that every man in the MUP [Ministry of Internal Affairs], every commander, head, high official is responsible for every single word uttered but also for every single word not uttered on time. I do not know what makes the Flauder case a "police case." He was not attacked by the police but by some vagabonds. The protocol was drawn up, he signed it, and it is up to us to determine who did it by using criminal data processing.

[Ivancic] There have been objections that the police did not do enough to explain that case.

[Jarnjak] Well now, that is the question of a free assessment, that someone asserts the right to evaluate the way the police should be doing its job. Therefore they had better leave the police to do its job in this and in any other case. When the point in question is the inhabitants of Posavina, well, there were people from Posavina among the policemen, too. How could they go against their own people then? But we had to protect and secure both the people and the area, there are certain places in town where public meetings can be held. When a crowd moves through town, they can cause traffic jams, mess, even chaos, in which incidents can occur that can escalate and everything can get out of control. To estimate the behavior through a number of policemen, excuse me, but that is our job to estimate how many policemen should be there to secure the place. By bringing in more policemen we just want to guarantee that public order and peace will be secured. It is not directed against anybody, and if it disturbs anyone, it is his or her right and impression... Peaceful protests have also been organized in France, and when public order and peace were disturbed, there were even bloody conflicts. You cannot gather forces when something has already happened and when the mess has arisen; we have to prepare our forces for prevention. In this case the policemen neither touched nor misatreated anyone, and the main task of the police is to prevent both criminal and violent offenses.

Never Completely Satisfied

[Ivancic] When addressing the public you speak in favor of the rule of law. Do you think that you have reached the appropriate level of police role in the construction and protection of the rule of law?

[Jarnjak] The rule of law system is exceptionally wide and consists of many factors. One factor in the creation and preservation of the rule of law is also the police, with all the parts I mentioned. That is the so-called repressive part, and I think that despite Operations Flash and Storm and the increased number of criminal offenses committed in all areas, so far this year, over the past 11 months, offenses are 2.7 percent down compared to the first eleven months of 1994. This entitles us to say that we can be satisfied because we do not have more criminal offenses in the eleven months of this year than in 1994. But to say that one can be completely satisfied with it—never. No, for the simple reason that it is an eternal struggle against evil, against crime, against all forms of crime.

A big problem here is also the lack of certain laws that would improve our work. It is necessary for the rule of law that the police, the customs, the financial police, inspection, and the judiciary function. To see that the one who has been arrested is sentenced, that he is taken through the whole process, then the people feel total legal protection. Then a man experiences the rule of law, its functioning, and then he feels respect for it. Comparing our data with the neighboring countries, Slovenia, Hungary, the Czech Republic, Slovakia, and Italy, per 100,000 citizens we have by far the least number of criminal offenses—1,480, Italy has 3,990... Meanwhile, that does not mean that we are satisfied because one has to constantly fight, particularly against the hardest forms of criminal offenses, like murders, robberies, narcotics, organized crime—all of us have to join forces, the police alone can do absolutely nothing.

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People Have To Be Stimulated

[Ivancic] What can you tell us about the status of policemen in our society, and are the policemen satisfied with your espousing their cause?

[Jarnjak] The status of policemen has been solved through the Law on State Administration, and it has been solved in such a way and form as far as the Croatian state today is able to invest. The other day, at the Presidential Council, we talked about the status of policemen, as well as about the status of members of the HV. We spoke of the fact that some had had an opportunity to buy their apartments, others had not. So, we said, all right, if someone, for instance, is given an apartment when he is employed by the MUP, we will have to grant that to him, to start from that point, that Croatia is a free market for everything, including labor, too, and that the State Administration will have to fight for its own employees—and in the MUP, too. We have certain benefits, for instance, in the period of service, a policeman can be retired earlier. However, we have to solve the question of his accommodation until his salary enables him to buy an apartment himself. So, we will have to find a way to tell this man: The MUP will give you an apartment for 5, 10 years, but you will be able to purchase it under these beneficial conditions only after 10 years. Or if you stay for 15 years, you will get an apartment for free. That means that, in some way, we will solve our personnel problems, which we come across sooner or later, in the long term through questions of status. I struggle for and I try to solve the status of all the members of the MUP through institutions. Not because I want them to respect me more or less because of that. So far, I have been fighting for their status, and I will be fighting tomorrow and as long as I am here.

We have managed to provide several hundred apartments for our special forces, particularly for those who have joined us in the very beginning, we have provided apartments for some of our invalids, for the families of the killed policemen, so, we have been dealing with questions of status of our people as far as is possible at the moment. I must say, too, that there is significant interest in joining the Croatian police, that there were 4,162 candidates for the classification exam to enroll into the first year of the faculty of criminology; we have enrolled 276 regular students and 734 non- regular students.

Crime Respects No Borders

[Ivancic] What is the level of cooperation between the Croatian police and the police in other countries? What does Croatia represent in international and organized crime, that is, how well known are we in Europe and how successful is the Croatian police in this?

[Jarnjak] In the year 1992 we joined Interpol. And that is the basis of cooperation with all countries in the world. Afterward, bilateral agreements are signed on the extradition of persons who illegally cross the border, on the struggle against organized crime, and on the struggle against terrorism. So, hitherto we have signed some 20 such agreements that have been ratified in the National Assembly and we work in line with them. It is essential to have signed these, particularly with the neighboring countries, we have especially good relations with them, and our Interpol works practically 24 hours a day, works constantly, receives from and sends information to all countries. Criminals know no borders, their interest is to cheat... and ours is to prevent it. So, to us too, the border should be less and less an obstacle in our work and that is why those bilateral agreements have been signed. Our police rating is exceptionally high by European standards and in those sectors on which we have worked, we have shown, first of all, professionalism and, second, we have shown an exceptionally high degree of authenticity in the data available to us. We have been constructing a new building, for the Criminal Expertise Center, and we have been promised assistance precisely from abroad. Such a center is exceptionally important for solving cases, for attaining the basic clues to create hypotheses, that is to advance in the criminal investigation. That building is under construction, and both the German and the Austrian police have promised to help us supply it with the most up-to-date equipment.

[Ivancic] In spite of all the difficulties and the war situation, according to everything you said, the Croatian police has been overcoming all this at a fast pace?

[Jarnjak] Over the last five years, in the Ministry of Internal Affairs we have not spent a single cent more than was approved to us in the budget. We have invested a lot of money, and the state has helped us, in the purchase of computers, vehicles, means of communication, which no contemporary police can do without. A number of buildings is under construction, we have, for instance, sold the old police station in Koprivnica, added some more money and built a new police station. Here it is also a question of resourcefulness in all these situations.

Constantly Under Public Scrutiny

[Ivancic] The police must nurture good relations with the public and inform it in a timely manner about everything, and dubious matters would demand a detailed explanation. Do you think that the police work is satisfactory in that sphere?

[Jarnjak] Work with the public has to be interactive. As far as we are concerned, I am not satisfied with the

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present situation in the MUP and I think that the system ought to be continuously improved. Public relations have been realized through daily and weekly news conferences, depending on developments. However, after some time those conferences become routine and insufficiently attractive and boring to journalists. So we surely must change that form of communication with the public if we want to be attractive and interesting enough. And what is often less interesting, later can become interesting because of developments. Those events have to be presented in a dynamic way to the public. And that is what I insist upon. Cooperation with the public has to be constantly improved, tended to. I have asked that at least twice a year seminars be held with the people who conduct those conferences, that they should not be conducted by people from the MUP, but experienced journalists who will lecture on it the way they see it. That is a very sensible move because we are open to the public; our every move is linked to someone and to something else. We are always, and that is also very important, encroaching upon someone's intimacy, private life, therefore we are also responsible, and it is normal that the public interest is so large. I think we have not done enough here and that we are still searching for that real sense.

[Ivancic] During the election campaign, there were some complaints about the candidacy of Mladen Markac, at that time your assistant for the special police, about the militarization of politics and on the politicization of the police. How do you comment on that?

[Jarnjak] Well, only the malicious could have said something like that. Eisenhower was a general, and he was elected U.S. President and that does not mean that the United States was a militaristic country. Each party has its own people, with whom it tries to win in the elections. I would like to see a party with Mladen Markac as a member that would not put him either on the list or in the election unit. I think that it was an attempt to dispute the police rating. After all, the people voted for him.

[Box, p 10]

Farewell to Arms as Soon as Possible

[Ivancic] What can you tell us about the state of security in Croatia?

[Jarnjak] I always say that the best parameter of security is a large number of tourists, who also arrived at the time of Operation Storm.

[Ivancic] And, finally, what is your message to the citizens of Croatia at the end of this significant year, the year of Flash and Storm?

[Jarnjak] First of all, let me thank everybody, both the members of the MUP and the HV and the whole nation, on what we achieved by the liberation of the largest part of Croatia. And that we complete the peaceful reintegration of the Croatian Danube basin into the Croatian legal system in 1996. And all we need is peace; peace, and economic welfare, internal security. And to celebrate more with songs and joy, and less with guns.

[Box, p 11]

New, Proud Generation

[Ivancic] How much is the public entitled to know about negative manifestations within the police and how do you solve this problem? By this, I do not refer to police activity toward the outside, toward a citizen, when a citizen violates the law, but there are negative manifestations within the police, for example, the abuse of office and similar?

[Jarnjak] In 1993 we instigated disciplinary procedures against 606 employees, of which 171 were discharged, and 415 were fined—20 were freed from further disciplinary procedure. In the year 1994, 598 disciplinary procedures were instigated against employees, of which 198 were discharged, 378 were fined, and 22 were freed of charges. In the eleven months of 1995 there were 524 procedures, 181 were discharged, and 322 fined, 11 employees were freed, and 78 offenses are under way. I would like to see a state institution that has started so many disciplinary procedures, and that has made so many decisions on discharging. We pay a lot of attention precisely to internal offenses. I will fight for everyone who works in line with the law and the rules of the service, and if necessary I will give my life for it. Meanwhile, if he has gone against the law, regardless of who he is, measures will be taken as they were taken in those cases. That is the only way to create an institution in this state that will be strong, that will be real within, and that will be capable of working that way to the outside. So, there is selection, which is normal for the number of MUP employees, and it is also normal that there are people who have come into the police by mistake or who could not find their way in it.

[Ivancic] Can you tell us, for instance, what those people's sins are?

[Jarnjak] There are transgressions of authority, abuse of office, also violations of basic work discipline—one does not come to work, or engages in a fight, gets drunk, and everything else that happens to ordinary people.

[Ivancic] You often mention a professional and polite Croatian policeman, a made-to-measure Croatian man,

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and you insist on his education. What do you mean by that?

[Jarnjak] You will find it interesting that during 1995 there were 8,629 attending programs of the Police High School, the Police College, specialist courses and seminars—3,081 regular students, 1,285 cadets of the Police High School, 2,740 police course attendees, and 344 seminar attendees. We invest a lot in the education and training of our personnel, and then we ask them to increase that visible level of professionalism, to raise that level of expertise and we instruct those people on how to be polite, how to behave correctly.

We have just held a seminar for all the commanders of the police branch offices, the police stations in Croatia, seminars were held in four places, and I was present at all four of them. That is precisely what we were talking about; that they are responsible for their people being professional, polite, correct, and knowing their job; that they have to work with their people, that they have to give them precise instructions, that they have to work constantly with their people. We want to create a new generation of police that will be proud and decent, that will protect the decency of the Croatian man and the Croatian people, that will protect the honest man from the dishonest one.

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FYROM: Greek Calls for Name Change Criticized

AU1601122796 Skopje NOVA MAKEDONIJA in Macedonian 13 Jan 96 p 2

[Article by Nevenka Mitrevska: "Our Name—Greek Problem"]

[FBIS Translated Text] After a brief respite, speculation is again arriving from Greece that the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] has agreed to change its name. As so many times before, some of our media have naively swallowed the Greek bait and, helped by "their own sources," they added to the story about the new name, and now poor Macedonia has ended up with, not one, but three names for different uses. The direct reason for placing the name in the focus of attention was the first meeting of Macedonian Ambassador Ivan Tosevski and his Greek counterpart Christos Zaharakis in New York with UN envoy Cyrus Vance mediating. It was typical of the Greek journalists to "find out" that, at this initial meeting, the ambassadors promptly arrived at a solution for the most difficult part of the dispute and allegedly found a "mutually acceptable" name for our country (New Macedonia) [Nova Makedonija]. What remains unclear are the motives of our media in publishing the Greek fabrications so swiftly and unselectively, disregarding the effect on the domestic public.

One Text—Different Reading

If it really is true that everything has been agreed upon, if the problem of the name has really been solved, why then did Ambassador Tosevski have to depart for New York again and risk landing at the frozen and blocked U.S. airport? Why are there announcements for a new Macedonian-Greek meeting at ambassadorial level in March, after the long vacation that Cyrus Vance is planning to take? Why did Foreign Minister Stevo Crvenkovski, and Karolos Papoulias before him, risk returning the problem to square one by stating that "there are no changes" in the views of their respective countries concerning this issue, meaning that Macedonia does not accept a change of name, and Greece a name in which the word Macedonia or a derivatation of it is contained? The answer is obvious. The positions of both sides are diametrically opposed, and the negotiators are still far—perhaps years away—from any solution.

Nevertheless, the discussions about the name have started, to which both sides are committed not only by the bilateral Interim Accord for normalization of relations, but even by the Security Council Resolution from 1993, which was adopted on the occasion of Macedonia's admission to the United Nations. If we compare the statements of the Greek and Macedonian diplomats, the result is that the main obstacle for making progress in the discussions about this issue is "the different reading" of some parts of these two documents that are related to the name and to the need for solving this question through negotiations. The Macedonian side insists on what has been literally written down in the Interim Accord and in the Council Security Resolution, that is, that "solution for the differences" of the two sides about the name has to be found, and it believes that the discussion is the only rational means for international understanding, for exposing its own views, for hearing foreign fears and counterarguments, for gradual lessening of mistrust, and as a consequence, for discarding the problem from the agenda some time in the future. However, the Greek side wants to interpret the commitment for "solving the differences about the name" through negotiations as a possibility for becoming our country's godfather, giving it a new, more appropriate name, that will suit its taste.

The Name Is—a Greek Problem

Bearing in mind the difference in the approach of the negotiating sides, it is really difficult to imagine the course of the recently started negotiations and what has, or what will be, put on the negotiating table. What we know for sure is that Greece has attached so much political and nationalistic pressure to the name in the last years that it now represents a real problem for it. That, however, is its own problem. It is not a problem of the Republic of Macedonia. In spite of all our interest in good mutual relations and manifested goodwill, we are simply not in a position to help it solve its problem. It will have to help itself in such a way as to reread the Security Council resolution and the Interim Accord, honestly and without self-compassion, so as to understand that with the formulation "settlement of the differences about the name" the international community, which is personified in the United Nations and the United States, and which participated in defining the text of the Interim Accord, simply acknowledges that Greek opposes the name of the Republic of Macedonia, but it neither acknowledges its arguments nor does it give it the right to act as a godfather who will invent a new name for us. Nobody has such a mandate, not even the Security Council.

Nobody has authority to accept a new name for the state or the nation, not even in the Republic of Macedonia—neither a person, nor an institution. The name of the state and nation is not something that can be imposed or changed by decree or law. It comes out of history and the deep and natural feeling for national affiliation. Actually, the Greeks are wrong if they think that a possible change in the name of the Republic of

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Macedonia will solve their problem. To depersonify the Macedonian state and nation will be understood by our neighbors as a long-awaited invitation to grab a piece of "nobody's" land. This will mean another Balkan slaughter in which the Greeks may be the slaughterers, but most probably they will be the victims.

Final Test

Again under the suggestion of the Greek mass media, the following contemplations can be heard in the discussions here: Why can't we add a word, for instance "nova" [new] in front of the word "republic?" In such a way our name will remain untouched, although a little clumsy, and the Greeks will be happy. With the passing of time, "nova" will be deleted and we will still be on the same position. Yes, but until it is deleted, what are we going to be? A "New Republic" that cannot claim its fifty-year old roots and the right to its state continuity. Or, "New Macedonians," that is, a newly invented nation that has not existed before, without its own history, and therefore with a doubtful right to its own state.

We live in a practical world, we have to be practical, UN Under Secretary General Kofi Annan advised us on his recent departure from Skopje. The trouble is that Macedonia has already demonstrated itself to be "practical" enough when it signed the Interim Accord with Greece in September and after which it changed its flag. No matter how it sounded at that time, it was a smaller concession to Greece, and a greater and final test of our country's endurance in the eyes of the international community before it finally opened the doors to all its more important institutions. We were really allowed to enter, but the president of the republic nearly paid for this ticket with his own head. It is a question of what would have remained of Macedonia if this had really happened. It is now Greece's turn to be practical. We will help by participating patiently in the discussions, but only about the "differences on the name" and not about a new name.

FYROM: 'Silence,' Speculation on Gligorov Attack

AU1201080696 Skopje NOVA MAKEDONIJA in Macedonian 11 Jan 96 p 4

[Commentary by Z.P.: "Silence—In the Interest of the Investigation"]

[FBIS Translated Text] Over a hundred days have passed since the assassination attempt on 3 October, and the full course of the investigation and possible new findings about the possible executors or organizers of the terrorist attack against the head of the Macedonian state are still a mystery. Dime Gjurev, deputy secretary of public security in the Ministry of the Interior, presented last week the only possible new element or fresh information about the police activity in the investigation. Among other things, speaking about the public security in the state in the last year, and, in this context, about the assassination attempt as well, the deputy secretary of the Ministry of the Interior stressed that the police have formed a special department that is composed of a group of people from all areas of the ministry. On this occasion, Gjurev said that all evidence is forwarded to Investigative Judge Zdravko Vasilev, who is in charge of the case.

On the other hand, although all roads lead to him, Investigative Judge Vasilev, who has all data and findings concerning the investigation so far, refuses to comment. According to his statement for our newspaper yesterday, "the assessment is that all the materials and findings about the assassination attempt are not for the public," by which he practically repeated that the competent representatives keep quiet "in the interest of the investigation."

In such situations, the usual things occur—speculation and unofficial data appear on the possible perpetrators of the 3 October assassination attempt. In the past period, many of them have been published, some of which contradict each other, and yet they are imposed on the public because of the official "wall of silence." It is interesting that every unofficial version starts from the logical examination of the whole case, and thus even the newest speculation brings about several "sensational and spectacular" discoveries that contain some logic. One day, the news spread among the public that the Macedonian police has serious tracks which lead to the perpetrators of the assassination attempt against President Gligorov. They are allegedly people from Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and the assassination attempt was ordered here and paid with money of domestic origin. For this purpose, according to the unofficial version, some foreign explosives experts had also been engaged, while the preparations for the act itself had been organized and executed by some people from Skopje. This speculation contradicts all unofficial information so far about the involvement of foreign intelligence services and even Minister Frckovski's 26 October statement on the involvement of a "multinational financial group from a neighboring country," because it fully returns the whole case to domestic grounds.

In any case, the seriousness of unofficial speculation, fabrication, and assumption is rising and we are again faced with a situation in which, by refusing to face the public and thus suggesting that something is hidden from its eyes, the opposite effect is created.

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FYROM: Trade Deficit of $160 Million Projected

AU1901073396 Skopje MIC in English 18 Jan 96

[FBIS Transcribed Text] Prime Minister Branko Crvenkovski's cabinet has projected a $160-million foreign trade deficit in 1996, as a result of the anticipated export values, estimated somewhere around $1,270 billion, as opposed to the import transactions, which are anticipated at $1,430 billion.

FYROM: Liaison Offices Open in Skopje, Athens

LD1701201796 Belgrade TANJUG in English 1932 GMT 17 Jan 96

[FBIS Transcribed Text] Skopje, 17 Jan—The Former Yugoslav Republic of Macedonia [FYROM] and Greece opened on Wednesday [17 January] their liaison offices in Athens and Skopje, respectively, and thus met some of the key clauses of a provisional agreement signed by the two neighburing countries in New York last year.

Both Athens and Skopje have announced that after the first phase of the provisional agreement, the two sides will further promote bilateral relations.

The functioning of the liaison offices will contribute to a positive atmosphere created by the signing of the provisional accords and agreements reached on the implementation of practical measures between our neighbouring countries, the head of the Greek liaison office in Skopje, Ambassador Aleksandor Malja said.

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Poland: Nordic Brigade Officer on Bosnia Mission

WS1801155496 Warsaw POLSKA ZBROJNA in Polish 17 Jan 96 p 2

[Report by "A.M.": "Our Guest: Colonel Wlodzimierz Sasiadek; The First Two Months Will Be Decisive"]

[FBIS Translated Text] *Colonel Wlodzimierz Sasiadek, deputy commander of the Nordic Brigade, visited our editorial office just before leaving Poland. During the meeting, he shared his observations on his new duties and told about the tasks ahead for the brigade and the Polish battalion within IFOR [Implementation Force].*

"Our battalion will operate in very good conditions because we are taking over two camp sites from the British UNPROFOR [UN Protection Force] units. They are situated within the operational zone of the Polish battalion and are very well organized. The third site is a bit worse, and we might have to consider establishing a field site," said Col. Sasiadek about accommodations.

"We will organize two checkpoints in our zone. Two platoons will operate them, a third will patrol them."

"Several Polish officers have begun their service in the Nordic Brigade and I am happy to say they are doing very well," said our guest proudly. "In the beginning, we tried to learn the NATO command procedures. For the majority of us, they were a novelty. It also is important to learn the language, although our officers have nothing to be ashamed of in this respect, but we do have to learn the military terminology better. Getting to know each other helped a lot."

Col. Sasiadek also spoke about the conditions in which the Bosnian mission is to be carried out and possible threats. Three brigade battalions can be deployed for offensive purposes, but only two—Danish and Polish—can be deployed relatively quickly to operations beyond their zone (with the approval of the Danish or Polish authorities).

The top priority tasks to be implemented in the first six months is the organization of reconnaissance, patrolling, and the dislocation of ethnic groups. In the second half of the year, free elections have to be protected in Bosnia-Herzegovina.

"The first two months will decide whether we fail or succeed," said Col. Sasiadek, concluding the meeting.

Poland: President on Foreign Policy Strategy

BR1801135196 Brussels RTBF-1 Television Network in French 1830 GMT 17 Jan 96

[Studio interview with Polish President Aleksander Kwasniewski by Georges Moucheron; Kwasniewski speaks in Polish with superimposed French translation—live]

[FBIS Translated Text] [Moucheron] Mr. President, good evening. In previous times, under the old regime, Polish leaders made their maiden trip to Moscow. You opted for West Europe. Does this mean that, as far as this is concerned, you no longer adhere to the old regime and that you are continuing the line of your predecessor, Mr. Walesa?

[Kwasniewski] It means that we will not take a step backward. It means that Polish foreign policy has been consistent since 1989. It means that our strategy consists of becoming a member of the EU and NATO. Personally, I want to have the best possible contacts with Belgium. For this reason I am in Brussels, which I know very well. And I am very pleased to be here in my new role as Polish president.

[Moucheron] You have been a member of the Polish Communist Party for 13 years, you have been a communist minister. Last year you were elected under a social democratic label. What is the difference between the labels?

[Kwasniewski] I think there is a fundamental difference. We are the social democrats. We chose to go down this road in 1990, when, in the Polish conditions of that time, the social democratic party was set up. I think its program resembles that of the other social democratic parties in East Europe. Communism has lost from the historical point of view. It is a concept that has not stood the test of practice. And I think that speaking now of a return to communism is an error or naivete, or it just does not recognize the events that have taken place over the past few years. That is why, in my opinion, we can discuss the details of concepts but we cannot have differing opinions on the main lines: democracy, openness toward the world, freedom.

[Moucheron] Can we not interpret your victory and that of your friends—we will not use the term "neocommunists"—as the will of the Polish people to end an era, to slow down a bit this forced march, as it has been termed, toward a market economy? Will this not compromise your entry into the EU?

[Kwasniewski] I do not think there will be problems with our entry into the EU and NATO. My talks have convinced me that our partners understand our situation perfectly and are open to our arguments. However, you asked me what the Polish people have opted for. My answer is that the Polish people have opted for reforms, democracy, and a market economy, which will support them in a very specific way—namely, in terms of a job, salaries, economic development. I am convinced

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that in Poland there is no threat of a return to the past. Of course, the question remains of how to introduce and implement these reforms. The disagreement was about introducing these reforms. The fact that the second round of the Polish presidential elections was between President Walesa and myself, the leader of the largest parliamentary group, is a major signal that other reforms are indispensable. No one from the opposition or from the other candidates has won. All those who have propounded populist ideas or irrational concepts have lost. I think there is strong social support for reforms in Poland.

[Moucheron] One last question: Mr. Walesa has announced that he will return to the Gdansk shipyard as an electrician. Could this not be embarrassing and annoying for you?

[Kwasniewski] I think that first of all you cannot go into the same river twice. Second, a normal country where there is an incumbent president and various former presidents... [changes thought] I will do all I can to make the function of the former president an honorary one and make it possible for him to have a normal life. In Polish there is a saying that goes: "Everyone decides his own fate." In Poland you could say that everyone is an electrician by fate. I mean, everyone chooses what he will do with his life. Mr. Walesa will be a former president who will be able to act publicly like many other former presidents.

[Moucheron] Thank you, Mr. President.

[Kwasniewski] Thank you.

Poland: Foreign Minister Pleased With Brussels Visit

WS1901153396 Warsaw TRYBUNA in Polish 19 Jan 96 p 6

[Interview with Polish Foreign Minister Dariusz Rosati by Krystyna Szelestowska on 18 January en route from Brussels to Warsaw: "Foreign Minister Rosati for TRYBUNA: Decisions Have Been Made"]

[FBIS Translated Text] *TRYBUNA interviewed Foreign Minister Dariusz Rosati on the plane on the way back from Brussels to Warsaw. We asked the minister whether the visit met our expectations.*

[Rosati] I am very satisfied with the visit. I think our partners in the West expected an affirmation that Polish foreign policy has not changed and a statement that our priorities are still the same. We met those expectations. President Kwasniewski is very sociable and dazzling both in private and at official meetings. He bowled over the NATO and EU officials. Seriously speaking, these talks were very useful because our partners told us they are truly committed to the idea of our joining NATO and the EU in a few years. We also discussed many technical details, including tactics in the "preinclusion" phase. This visit really worked out well.

[TRYBUNA] Have the Brussels talks brought us at least a bit closer to integration?

[Rosati] Yes. Decisions have been practically made. Now we have to do our homework: amend legal regulations and do what we have to do in order to obtain membership. We will be closely watched and judged. But, as I said, the decision that we are to join Europe has been made. I hope this will happen before the year 2000. The talks the president and I had in Brussels lead me to believe that, unless something unexpected happens, we really will attain that goal.

Poland: President To Dissolve Parliament If Forced

LD1801204996 Warsaw TVP Television First Program Network in Polish 1830 GMT 18 Jan 96

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] Before his return flight for Warsaw, President Aleksander Kwasniewski told Wiadomosci that he will dissolve parliament if forced to do so by certain political forces. After the meeting in Brussels with Jacques Santer, chairman of the European Commission, President Aleksander Kwasniewski said that negotiations on the admission of Poland to the European Union [EU] will begin toward the end of next year. Santer is said to have assured President Aleksander Kwasniewski that Poland will be an EU member before the end of his term of office—that is, before the year 2000.

[Correspondent Waldemar Milemicz] For three hours the Polish president was persuading the chairman of the European Commission that we already fulfill most of the membership criteria for the EU, that in many areas we are even better than certain other member states. Jacques Santer reciprocated by assuring that he will bring Poland into the Union before the end of this century.

In Aleksander Kwasniewski's opinion, the issue of NATO membership is a more complex one because Russia's opposition has to be dealt with. According to the president, we have to discuss this with Russia.

[Begin Kwasniewski recording] Only a naive person or someone who does not understand things can think that a decision can be made in Europe that would not take into account a state that is large, has the atomic bomb, and is essential in all considerations on the structure of Europe. [end recording]

[Milemicz] After two days of talks in Brussels, the president was brimming with optimism. At a press

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conference, he was cracking jokes left, right, and center. His optimism faded when a question was asked about Prime Minister Jozef Oleksy.

[Begin Kwasniewski recording, in English with superimposed Polish translation] I'm sure, and perhaps this will be the most important piece of news for the Polish journalists reporting from Brussels, that, during the 10 years of my political career, I've met a lot of spies. Maybe, I do not know, and frankly speaking, I never asked who a CIA agent, a KGB agent, a Mossad agent or an agent of Belgian secret services. [as heard] [end recording]

[Milemicz] The president gave assurances that he will do everything to clarify the whole scandal, alhough he added that, if he is forced to, he will dissolve parliament and announce new general elections.

[Begin Kwasniewski recording] If certain political forces in Poland reach a conclusion that the situation is so complicated and so difficult that it requires special solutions, then I think it is far healthier for the system of the state to go to the country rather than to set up strange and forced coalitions. [end recording]

[Milemicz] Judging by the first opinions, President Aleksander Kwasniewski made a rather good impression in Brussels. His interlocutors, yesterday at NATO and today at the EU, are full of admiration for the freedom with which Kwasniewski moves in European salons. He went to Brussels to prove that he now has nothing in common with the bygone past and that, during his presidency, Poland will be a country open to the West. But the value of the president's declarations will be assessed by the world by his deeds and mainly by the way with which Poland settles the espionage scandal. Waldemar Milewicz reporting for Wiadomosc from Brussels.

Poland: Weekly To Name Two More KGB Agents

LD1801200696 Warsaw TVP Television First Program Network in Polish 1830 GMT 18 Jan 96

[Relayed by Warsaw TV Polonia]

[FBIS Translated Excerpt] Journalists on the WPROST weekly have announced that they will reveal the names of Minim and Kat [Executioner], the informers of the Soviet and Russian special services who, in their opinion, occupy high posts in the SDRP [Social Democracy of the Polish Republic] leadership, if the institutions investigating the Oleksy case do not do so. Yesterday evening, Wiktor Fonfara, the head of the Investigation Bureau of the State Protection Office, said that the information given by WPROST was 80-percent true.

[Correspondent Lukasz Perzyna] In yesterday's issue of the weekly, WPROST journalists wrote that Prime Minister Jozef Oleksy is a Russian intelligence informer and that, besides him, there are four more agents in operation among the SDRP leaders. The journalists say they know who two of them, who use the codenames Minim and Kat, are. They stress that their information comes from various sources.

[Begin WPROST correspondent Stanislaw Janecki recording] Among our well-informed informants, there are also people from the SLD [Democratic Left Alliance]. [end recording]

[Perzyna] The journalists did not reveal the identity of Minim and Kat because, in their opinion, this should be done by the Prosecutor's Office and the Sejm special commission. [passage omitted]

The justice minister says that the WPROST journalists are trying to put pressure on the institutions working to clear up the Oleksy case.

[Begin Justice Minister Jerzy Jaskiernia recording] I would not like to describe this as blackmail, because that is a very unpleasant qualification, but I take this as another way of putting pressure on those bodies, which should make decisions in peace, according to the law. [end recording]

[Perzyna] In the opinion of the WPROST journalists, many people already know the names of Minim and Kat.

[Begin unidentified correspondent recording] I think, without exaggerating, that about 50 people know it perfectly well. [end recording]

[Perzyna] In Janecki's opinion, they are politicians from the SLD and other groups, and all the members of the Sejm special commission. In Janecki's opinion, many people in Russia, including some Russian journalists, also know who Minim and Kat are.

Poland: Ministry Denies WPROST Allegations

WS1801134096 Warsaw TRYBUNA in Polish 18 Jan 96 p 1

[Statement by Piotr Szczypinski, spokesman for the Polish Ministry of Internal Affairs, in Warsaw on 17 January: "WPROST Is Lying"]

[FBIS Translated Text] The third issue of the WPROST weekly dated 21 January carries a report written by Stanislaw Janecki in cooperation with Artur Witoszek under the title "Big Game."

In the opening paragraph, the author poses a series of questions, among them: "Is it true that [Deputy Interior

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Minister] Zbigniew Sobotka took documents on the case out of the building?" Near the end of the report, the author states: "A race is currently on between those who prepared the materials incriminating Oleksy and those who want to kill the case. An unprecedented thing happened: Zbigniew Sobotka, recently appointed to deputy interior minister, is alleged to have taken the materials out of the Office of State Protection [UOP] building for several hours."

In view of the above, I wish to state that:

1. As acting head of the Ministry of Internal Affairs [MSW], [Deputy] Minister Zbigniew Sobotka had an obligation to read the materials on the case in question because the Special Sejm Commission requested him to provide explanations and documents.

2. The [deputy] minister read the documents without leaving his office. He was given as much time as it takes to read the text and returned all of the materials to the UOP, following the same MSW procedures by which he had obtained them. The circulation of such documents is meticulously registered.

3. The [deputy] minister had access only to those UOP materials that [former] Deputy Minister Andrzej Milczanowski had submitted to the Supreme Military Prosecutor's Office.

It is therefore untrue that [Deputy] Minister Sobotka "took the documents out of the building for several hours," and I consider the statement pure slander.

Signed: MSW Spokesman Piotr Szczypinski

Poland: 'Media Leaks' on Oleksy To Be Investigated

WS1801150296 Warsaw GAZETA WYBORCZA in Polish 18 Jan 96 p 1

[Article by Pawel Wronski and Jerzy Jachowicz: "Reporters Know Too Much About the Oleksy Affair; UOP Is Looking for Leaks"]

[FBIS Translated Text] *General Gromoslaw Czempinski, chief of the Office of State Protection [UOP], has announced that investigative proceedings will be launched to establish the source of leaks on the Oleksy case. He does not rule out the possibility of indictments for reporters who published leaked material.*

Before going into a hearing of the special Sejm commission, Gen. Czempinski said he was terrified of press reports. "The majority of the enunciations are far removed from the truth," he stressed. The reports that are true, he maintains, are based on "top secret material," obtained "largely from the secret services." "Proceedings have already been instituted to establish how classified information reached the media and why was it published," the general said.

Czempinski "admits the possibility" of launching proceedings against reporters and editors. "They would be based on the State Secret Law and the Press Law dated 1982," he stated. He claims papers are carrying out solo investigations and passing sentence.

The UOP chief refused to comment on a report carried in the latest issue of the WPROST weekly, claiming that, apart from Prime Minister Oleksy, other high-ranking politicians from the Social Democracy of the Republic of Poland [SdRP] had contacts with the KGB. "I can only confirm that some politicians have ongoing contacts with diplomats, many of whom are intelligence officers," he said.

Gen. Marian Zacharski, asked after having been heard by the commission whether he had expressed any doubts as to the validity of the UOP materials in the Oleksy case, said: "My job is to collect material." He neither confirmed nor denied that he had obtained information on Oleksy from former KGB officer Alganov.

"Some 80 percent of what WPROST reported is true," said General Fonfara, chief of the UOP Investigative Board, after coming out of the hearing. He refused to say anything else on the grounds that he was bound by state secrets. He refused to say whether KGB informers known as Minim and Kat really existed. He denied ever expressing any doubts as to the accuracy of the UOP material on Oleksy. He also denied that Deputy Interior Minister Zbigniew Sobotka ever carried any documents on the case out of the UOP building. Sobotka instructed the UOP chief to launch an investigation into the leaks. WPROST suggests that he himself was a source of the leaks because he took the UOP materials out of the building. The deputy interior minister denied the allegations in a special announcement, claiming that they were slander, and threatened to sue WPROST.

"I am glad I was counted among the top SdRP authorities, but alleging that I had contacts with the KGB only because I lived 700 meters away from Alganov is an exaggeration," said Democratic Left Alliance Deputy Janusz Zemke, a member of the special Sejm commission.

TRYBUNA, the daily closely affiliated with the SdRP, suggested in its 17 January edition that the Sejm commission deal with the UOP outposts it claims operate in the editorial offices of dailies and weeklies.

The Confederation for an Independent Poland presented a motion to the Sejm speaker for broadening the prerogatives of the special commission so that it could

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oversee the activities of the prosecutor's office in the Oleksy case.

Poland: President Wants Work on Oleksy Publicized

LD1801192596 Warsaw Polskie Radio First Program Network in Polish 1900 GMT 18 Jan 96

[FBIS Translated Text] President Aleksander Kwasniewski came out in favor of making the deliberations of the Sejm Extraordinary Commission, which is examining the role of the special services in the so-called Jozef Oleksy case, made public.

After his return from Brussels, the president stressed that the case should be clarified publicly, and, after its conclusion, consequences should be drawn from those people who were guilty. Asked about a possible dissolution of parliament, the president said he was not a supporter of early elections, but, if political forces make such a decision, I will respect it, the head of state added.

Poland: President Lauded for Attitude on Oleksy Case

WS1901114496 Warsaw GAZETA WYBORCZA in Polish 19 Jan 96 p 1

[Untitled commentary by Helena Luczywo]

[FBIS Translated Text] Aleksander Kwasniewski has stated that work on the Oleksy case should be fully public. This is an important step forward in clearing the atmosphere of public life in Poland. It is also the first sign of the president's new attitude, an attitude that is in tune with public expectations.

Poland: Officials Accuse Walesa of Blackmail

LD1801192896 Warsaw TVP Television First Program Network in Polish 1830 GMT 18 Jan 96

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] [Announcer Jolanta Pienkowska] Deputy Prime Minister Grzegorz Kolodko and Government Press Spokeswoman Aleksandra Jakubowska have accused former President Lech Walesa of blackmail. According to them, on 20 December, in the course of a special meeting of the government, President Lech Walesa linked the case of the accusation of the prime minister of spying to the case of his own back taxes. They reported that the confidential shorthand record from this meeting has for several days now been in the possession of the Special Sejm Commission examining the activities of the Ministry of Internal Affairs in relation to the prime minister.

[Correspondent Marek Kupis] Deputy Prime Minister Grzegorz Kolodko read out a part of the still confidential shorthand record from the government meeting. In this fragment, President Walesa is said to have addressed the demand that he pay taxes on the $1 million he received five years ago.

[Begin recording] [Kolodko] When I pay you, you will not be able to pick your self up. Sorry for the colloquialism, but as is well known, Mr. Walesa has very good command of the literary tongue.

[Jakubowska] We have already revealed so much, so we can reveal a bit more, because we are also obliged, as participants in this meeting of the Council of Ministers, to not say who said something, what he said, and even who did not speak [as heard]. But I will tell you one thing: The speech by President Walesa at this Council of Ministers meeting commenced from the statement that he had come to us with two issues. The first issue, he said: Finally lay off, will you, from these taxes of mine. Then there was a second issue: a threat to the security of the state. If the linking of these two cases in one speech might call forth some thoughts and reflections among you, well I now leave that for you to decide. [end recording]

[Correspondent] Deputy Prime Minister Aleksander Luczak of the Polish Peasant Party [PSL] criticized Deputy Prime Minister Kolodko and Minister Jakubowska for revealing restricted documents. Everyone, however, expressed himself in favor of the fastest possible making public of the shorthand notes.

[Pienkowska] Lech Walesa, in a telephone interview with the "Wiadomosci" program, categorically denied that he had brought about the accusation of the prime minister of spying because the revenue authorities had demanded from him the payment of taxes dating back five years.

[Begin recording] [Walesa] I can say precisely the opposite, that the case that has been made with my taxes was to have suggested, or perhaps forced, inclined, that I do something so as to stop this case [as heard]. And so it is a complete absurdity. I wish these people would be serious because they look serious to me.

[Correspondent] So why, Mr. President, at a meeting associated with threats to the security of the state, did you touch upon the case of your taxes?

[Walesa] On the margin, many great things are (?arranged). And small ones sometimes. Well, you know, this is normal. But this was not the confusion of one with the other. [end recording]

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Poland: PSL Wants Government Restructured

WS1901125096 Warsaw RZECZPOSPOLITA in Polish 19 Jan 96 p 1

[Report by Ewa Czaczkowska: "The PSL Wants a Restructuring of the Government"]

[FBIS Translated Text] *The Polish Peasant Party [PSL] decided yesterday that talks should begin with the Democratic Left Alliance [SLD] on restructuring the government. The peasants would like to have the prime minister's office, but they are not making this a precondition for the coalition's survival. Talks with the SLD are to be held today.*

PSL leaders—members of the Chief Executive Committee, the presidiums of the Chief Council and the Parliamentary Club—debated for several hours behind closed doors yesterday. The opposition anxiously awaited their decision—for the past few days it had been appealing to the PSL to break off the coalition with the SLD and form a new one with groups within the parliamentary opposition. The PSL leaders decided not leave the coalition and, as we learned unofficially, there was no talk of new alliances. The politicians also adopted a stand on the current political developments in the country. It was not released to the media because, as PSL Parliamentary Club Spokesman Janusz Dobrosz said, the coalition partner should be told first. PSL Chairman Waldemar Pawlak said only that the stand was an "active" one.

Unofficial sources maintain that the PSL is persuading the SLD to enter talks on restructuring the government because Prime Minister Jozef Oleksy should resign, in view of the current situation. It is also known that the PSL wants the office of prime minister, but they are not making this a precondition for the further existence of the coalition. The PSL did not give any name of a potential candidate for that post; they have not agreed on anyone in particular. The most frequently mentioned candidates are Miroslaw Pietrewicz, head of the Central Planning Office, and Wladyslaw Szymanski, an economist and PSL member. Further down the list are Senat Speaker Adam Struzik and Deputy Prime Minister Roman Jagielinski.

Backstage at the Sejm, PSL deputies said that the decision made by the leadership does not preclude the possibility of creating a new coalition. Everything depends on the SLD and the conclusions the Special Sejm Commission [investigating the Oleksy case] reaches. Some claim that the SLD is threatening them with the possibility of calling early parliamentary elections. "The PSL is not afraid of early elections," said Chairman Pawlak, giving assurances that his party has taken all variants into consideration.

Poland: Defense Minister Views Restructuring

WS1801150196 Warsaw RZECZPOSPOLITA in Polish 18 Jan 96 p 2

[Article by Z.L.: "MON Head Announces Changes; Secret Services Under Minister"]

[FBIS Translated Text] *The Military Information Services [WSI]—that is, the intelligence and counterintelligence services of the Armed Forces—will no longer be under the General Staff; they will be subordinated to the civilian minister of national defense, just as is envisioned in the new law on the office of the Ministry of National Defense [MON] [as published]. "I have already held talks with the WSI leadership and cadres. The services were obliged to act in line with the new procedures, even though the new law will enter into force in a few days," MON head Stanislaw Dobrzanski said yesterday.*

Yesterday the atmosphere of the recently omnipresent mysteriousness reached the presidium of the Sejm National Defense Commission: It closed the first session of deputies and the new national defense minister to the press, which probably came as the biggest surprise to the invited minister himself.

Dobrzanski, who was as usual full of self-confidence, argued later that a year would be enough for him to make the most urgent changes in the ministry—aimed at strengthening civilian control over the Armed Forces. First of all, he promises to finalize the legislative work. The most important regulations include one that has been discussed in ministries for a long time—the law on the military duty and defense responsibility, which is already referred to as a defense constitution, as well as, among others, laws on discipline and on the WSI. Deputy Danuta Waniek (Democratic Left Alliance) recalled yesterday that a draft regarding the WSI already exists.

The defense minister announced that there would be changes in the structures of the General Staff: Consultations are under way on establishing a command headquarters of ground troops, which would deprive the General Staff as well as its head of some powers. Stanislaw Dobrzanski will set up an entirely new, extended economic section that will take part in the decisionmaking process and in the preparation of strategic purchases. Thus, two deputy ministerial posts will soon be up for grabs: the office of the deputy minister for economic issues and for parliamentary issues. "Talks have already begun to find candidates, primarily within the coalition, but also in wider circles," says Dobrzanski.

Deputy Janusz Onyszkiewicz, former MON head, assesses that the most important and urgent issue today is the need to finally clarify and clearly specify the powers

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of the civilian and military structures within the ministry. It is equally important to adopt clear-cut and unambiguous regulations. "We are hoping that the motions put forward by the Sejm as a result of the Drawsko affair will be put into effect," Onyszkiewicz said.

Minister Dobrzanski is an optimist: The instruments guaranteed by the new law on the office of MON [as published] offer him a better chance to reform the ministry in comparison with the chances his predecessors in office had. It seems indispensable to amend the partially superceded directives included in the so-called report of the interministerial commission of Krzysztof Zabinski. Some people, especially generals, look upon this document as a model of restructuring the state's defense sphere in the 1990's.

The new head of the ministry did not say yesterday what kind of army equipment would be treated as priority purchases in the Army budget, which, although small, has been slightly increased since last year. However, he did promise that plans of Armed Forces development would be worked out soon; the plans would be drawn up for a longer period of time—at least five years (which the military has been demanding for a long time).

"We have received quite a lot of encouraging assurances. Still, as is usual, we will really get to know the minister when we see the fruit of his work," Freedom Union deputy Krzysztof Luks said philosophically.

Poland: Privatization Minister Interviewed

WS1801144696 Warsaw RZECZPOSPOLITA in Polish 10 Jan 96 p 12

[Interview with Minister of Privatization Wieslaw Kaczmarek by Ada Kostrz-Kostecka: "Privatization to the End of This Century"]

[FBIS Translated Text] [Kostrz-Kostecka] The government has frequently been accused of slowing down the privatization processes. The program of privatization that covers the period up to the year 2000 includes a balance sheet of the existing state property and talks about a disposal of practically all of that property; (the same balance sheet is also written down in "Directions of the Privatization for 1996"). Does this imply an intention to finish privatization by the end of the 20th century?

[Kaczmarek] Our determination to find out the value of the property that is still owned by the State Treasury is caused not by the charges of slowing down privatization but because of the [creation of the] so-called privatization map. The logic of the activities suggests the following scenario: First, let us try to establish what property we have, later let us determine what we can use it for, and then let us construct operational programs appropriate for our aims.

And we are, basically, between points two and three. The first step is already behind us, although the balance sheet of the property has to be verified. The value of the property was estimated by us at 75 billion zlotys [Z] and by Professor Macieja at the level of Z200 billion. This shows that there is some divergence of opinion. But we work on the basis of the accounting data, and not a long time ago there was a revaluation of the property, which we also have to take into account. It can be assumed, then, that the differences fit into a wide margin of error because it is possible that, after the revaluation, the [value of] the property will increase even by two times.

When we were working on these projects, a new political factor appeared—the referendum. The government has basically defined its priorities but, on the initiative of the [former] president, supplemented by the initiative of the Sejm, in the very near future the public will accept the priorities or reject them. Only then, in my opinion, will we be able to, in a responsible way, enter the third stage—construction of legal instruments enabling the achievement of these goals. I believe that now we are already able to specify the way of handling national property up to the end of this century. I think that such a "privatization compass," which we are creating within the ministry on our own initiative and was not written down in the "Directions of Privatization," is necessary.

[Kostrz-Kostecka] The referendum questions suggested by the deputies concern compensation for pensioners and senior citizens, reform of the social insurance system, and the potential expansion of the National Investment Funds [NFI]. Taking all of this together, it regards more than a third of the property that remains in the hands of the State Treasury. Does this mean that the government is looking for support of its program because it does not have the courage to make this decision by itself? Or is this intended to show that this vision of public enfranchisement is different from the one that was suggested by the former president?

[Kaczmarek] Both of these. First, the referendum may become one of the characteristic features of Polish democracy. So far, [democracy] has been expressing itself in a direct way—through elections—and now another form is added, the referendum—that is, asking the citizens about matters that are important to them. I think that this is a proper way of managing the property that has been created for years. Through the referendum we would like to get approval to dispose of part of this property in order to arrange things that are important to certain groups of the society—such as compensation for pensioners and senior citizens, reform of the public

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insurance system, or an expansion of the program of the National Investment Funds.

Second, there is our idea of the so-called public enfranchisement—managing this property in a way that the gains could be common and [attainable] for everybody. And, at the same time, this is not going to be a "paper privatization," which is what the idea of public distribution comes down to. I consider the inquiry into public enfranchisement to be a philosophical-political question and not a real question connected with the particular operation because it has not been stated in a precise way. Therefore, the referendum is, in fact, a political problem.

If the answer to the first question is positive, we will present a bill on the compensations, the foundations of which have been accepted by the Council of Ministers and that is now about to be completed. And, if the answer is negative, this will mean a strain on the budget, probably scheduled for years because then the form of payment will have to be changed from securities to cash. A question remains: How to find the money for that in the budget? More property can be disposed of and the budgetary receipts can be raised; then money for the payment of the compensations will be found.

[Kostrz-Kostecka] The value of the still existing state property is estimated at Z75 billion. The requirements for it are Z76.4-86.4 billion. It is clear that the two sides do not balance out, at least at the moment. What part of the commitments is the government going to give up?

[Kaczmarek] The two sides of the balance were established in two different ways. The amount of liabilities to pensioners and senior citizens can be established in a precise way. Possible effects of reprivatization can only be simulated; currently we cannot predict them. The same regards the value of the property that would have to be devoted for the retirement funds. On the right side of the balance—that is, where we state the liabilities—we have only stipulations and presumptions. On the left side—assets—there are calculations done on the basis of accounting data and results for the year 1994.

If we now repeated making that inventory, then of course some of the companies would no longer be there because they have moved to the private sector. Also we would have different results for the year 1995, which I hope are better than the ones we got for 1994 and have been using up until now. One has also to take into account the revaluation of the property. We wanted to receive confirmation that the two sides can roughly be balanced, and now we have that confirmation; so we are not going to give up the realization of any commitments. Still, the balance suggests another conclusion, that it would be difficult to carry out some additional public enfranchisement. Then either we would not [be able to] pay the compensations for pensioners and senior citizens, or we would not arrange reprivatization matters and initiate reform in the social insurance system. This is, then, raising hopes that may disturb the delicate system of balance.

One should also not forget about the list of companies that comprise the [national] property because some of them will not undergo privatization. There are also companies thath I would honestly not advise to take as a security of the compensations.

Certainly, some companies must be exempted from the privatization, such as Polish State Railroads, the Polish post, radio and television broadcasting companies, Totalizator Sportowy, Polish lottery monopoly, or infrastructure companies—e.g., Polish Power Grit Company and Oil Pipelines Exploitation Enetrprise [in Plock]. There is also a group of companies the privatization of which would be risky from the economic point of view or, which I do not conceal, dangerous because of the social and political atmosphere that exists in these companies. Here I mean the whole mining sector—from hard coal and brown coal to some kinds of salt. This is a large group, of a high book value, but of imprecisely defined market value; and even inclusion of these companies into [the project of] financial strengthening of retirement compensation systems or using them as a material security for compensation tokens could entail a big risk.

[Kostrz-Kostecka] But this is going to aggravate the balance of resources.

[Kaczmarek] ...and may give rise to some reflections among politicians. A dispute on the referendum and the existing resources should probably be an occasion to realize that we have property of differentiated value and great needs to be satisfied with that property. It is the intention of the government to satisfy all these needs.

[Kostrz-Kostecka] A reform of the social insurance system alone, according to this program, would engage a fourth part of this property.

[Kaczmarek] This is, in fact, difficult to state in a precise way. In the case of social insurance, we need to think about at least three levels of needs. First of these is the national level—the amount of these needs will be really known when we have finally reformed the social insurance. This is the domain of the minister of finance and the minister of labor. In some Western corporations, part of the shares are used to create individual retirement compensation systems. This is the second area. Maybe

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part of the [national] property should be devoted to the creation of structures of this type. Although, it is debatable whether the State Treasury should engage itself in projects of that type. The third level is that of pension schemes, which is an operation held on the company level. Employees receive shares at half price, and in the future they may receive them for free. At present, they usually sell them to investors, but they could be offered an alternative—they could use the shares as a basis for their private pension schemes. This, however, requires the creation of certain organizational and legal forms. This also requires a new fiscal approach—creation of incentives for the functioning of these kind of funds. I think we should return to pension schemes.

[Kostrz-Kostecka] Anyway, the strengthening of the insurance system will engage much of the property, including large and prosperous companies. Will this not be a rival for capital privatization? Will it be possible, then, to draw incomes from capital privatization that were planned for this year for Z1.8 billion?

[Kaczmarek] We assume that retirement compensation funds will have the character of a passive investor—that is, they will be interested in the interest the investments can earn and, in the future, flow into their account. The privatized companies would also have to gain a strategic—that is, active—investor. After privatization, we will have a structure of property different from the existing one: Apart from the shares for the employees and the reprivatization reserves, 30 percent of the shares will be left for retirement compensation found and the rest of the shares will be bought by a strategic investor.

We stipulate that the share of the capital privatization in the budget incomes will decrease if we intend to dispose of this property to cover liabilities of the State Treasury. Still, giving up the incomes from privatization, we cannot resign from providing a strategic investor for the companies that need one. Privatization means not only selling these companies but also assuring their development.

[Kostrz-Kostecka] Still, we can say that a substantial part of the property will be privatized with the participation of these funds. Do you expect that, in this way, privatization could be accepted more easily in "sensitive" sectors—that is, in the sectors [of the economy] that some politicians would like to remain public? I mean the armaments industry, as well as, for example, the spirits industry.

[Kaczmarek] I would not like us to turn to that kind of thinking: If I cannot not use one door, we will proceed with privatization of a particular sector through other ones. Decisions concerning privatization must be conscious. The armaments sector is not going to profit from a privatization with the use of retirement compensation funds. Experience confirms my thesis, which the supporters of the special bill did not want to listen to; the prosperity of the armaments sector is not going to be decided by the form of property but by someone who will be able to entrust the sector with an order, or by those who will be able to sell the products of this sector. This sector needs capital and investors; to a large extent it needs know-how and the possibility to sell its products.

Retirement compensation funds will look for branches that assure a stable income; and the armaments sector, susceptible to different kinds of political and conditional cycles, is not a safe long-term investment. But, clearly, these conditions are fulfilled by such sectors as the spirits industry, the power-engineering industry, the general-processing industry, and some forms of trade. One also must remember that the operation with the retirement compensation funds is difficult, in the sense that its results will only be visible in 10-15 years. It will be very difficult to explain that to people. But this is going to be a good key for opening the privatization of some sectors, I admit.

[Kostrz-Kostecka] The national property is also made up of many small companies that qualify for direct privatization. You are going to sell them at a small price or even give them away to the employees for a symbolic Z1. And what will employees say of those companies that have already taken their companies' property on lease and up until now have been paying for that in installments?

[Kaczmarek] This probably was not an especially good offer. We are—and shall be—looking for a mechanism that would speed up the privatization process. Small companies would need a different map of privatization, one that would condition the kind of privatization upon the size of the company. Here, I mean a mechanism that would assign a particular company to an appropriate technique of privatization, depending on the stated parameters. In case of small companies, it will have to be decided how to sell them at the lowest price but in a way that would be safe from the point of view of their development. The strength of each economy is based upon the cooperative structure of small and medium-sized companies. These companies should be offered more capacity for development at the stage that would follow privatization. Therefore, I believe that we should not use the technique of boosting the price. But here, unfortunately, charges of reckless disposal of property are reappearing. Therefore, we offered to sell at 10-15 percent of the book value. Still, it would be good if we were able to forget about all "impediments"—that is,

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very small companies that sometimes employ a couple dozen workers. According to our estimates, there are approximately 1,000-1,200 of them, and they damage our statistics.

Another aspect of this issue also exists. It is assumed that the reform of the administrative center will leave about 800 to 1000 companies under the control of the central administration. These companies will be taken care of by the minister of treasury and privatization, or by the minister of treasury and the minister of privatization. The rest of the companies will be moved under the control of voivods. They must have an operational "tool," and this role can be taken by regional investment funds. This would mean expanding privatization beyond the administrative structures.

Privatization statistics are also damaged by large companies, which are a kind of curiosity: nowhere [else] in the world is it possible to find companies employing 6,000 people and manufacturing shoes. For such companies we will not find an investor. The only possible technique for them is gradual privatization—that is, fragmentation, sale, and liquidation of some parts of the company.

[Kostrz-Kostecka] Is it going to be the case that the reform of the administrative center and the introduction of the new privatization bill, which are also to be taken into account, will make an implementation of these plans difficult or even impossible?

[Kaczmarek] No, because all the time we kept in mind that the reform was being prepared. I am afraid of another thing. The key of the reform is the separation of the administrative level from the level of proprietorship. Therefore, we have to organize anew the functioning of the administrative departments that manage the economy and its surroundings. Everybody supports the reform of the administrative center, but, when it comes to the implementation stage, some ideas are totally neglected. Carrying out that separation of functions will require a great commitment on the part of the government itself.

The new privatization bill is not going to change much either, because—and I never concealed this—it is not a great revolution. It only offers new possibilities for the methods and techniques of privatization. However, decisions about privatization remain in the hands of the Council of Ministers. And, if we will start such a great operation as the retirement compensation funds, this is going to be a government project, and the minister of privatization will receive certain tasks to be carried out.

Poland: Finance Minister Views 1995 Budget

WS1801152996 Warsaw GAZETA WYBORCZA in Polish 18 Jan 96 p 15

[Article by Bogdan Kowalski: "Deputy Prime Minister on 1995 Budget; Plan Implemented 101 Percent"]

[FBIS Translated Excerpt] *Revenues were bigger and expenditures smaller than projected; the budget deficit did not exceed 2.8 percent of the gross domestic product [GDP].*

This is the Finance Ministry's initial evaluation of how last year's budget was implemented. At yesterday's news conference, Grzegorz Kolodko, deputy prime minister and finance minister, did not try to conceal his satisfaction with the economic results achieved in 1995. "The fact that inflation at the end of the year was 21.6 percent is a success, and the same holds true of the precise implementation of the budget provisions," he said.

He announced that "we are only a few steps away" from the circle of the richest countries of the world that are grouped in the OECD.

Last year's state budget revenues came to 83.502 billion zlotys [Z], which means that the plan was implemented 101 percent. The actual expenditures were 0.4 percent smaller than was planned (they amounted to Z91.524 billion). Compared to 1994, these revenues increased, in real terms, by 3.5 percent, whereas expenditures rose by 3.6 percent.

The government used 87 percent of last year's budget deficit limit. If there had been Z7.6874 billion more in the coffers, the state budget would have been balanced. Thus, the deficit constituted approximately 2.8 percent of the GDP. These are initial figures regarding last year's budget.

The largest amount of money came to the state coffers from direct taxes—more than Z36.2 billion (1.1 percent more than was planned). The second largest source of income was the tax paid by people—nearly Z23.5 billion, which was 3.7 percent more. Revenues from the personal income tax exceeded plans by as much as 7.9 percent and reached almost Z8.8 billion.

"I suggest that you write that the abominable government implemented the budget and did not use the projected deficit," Kolodko advised. "Quite recently you wrote that the government was carrying out a financial policy that was too soft. We saved money not by making cuts in the sphere of social services, but by decreasing the costs of debt servicing. We had some luck, because the exchange rates of foreign currencies were quite favorable. The Finance Ministry estimates

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that thanks to bigger revenues there was enough money for increases in the public sector. The money that was saved made it possible to pay some debts: debts of elementary schools being taken over by gminas [smallest administrative units], as well as the debts that the State Fund of Veterans had to pay off to the Polish Post Office or Polish Telecommunication. [passage omitted]

Poland: Areas for Foreign Investment Assessed

WS1901112396 Katowice TRYBUNA SLASKA in Polish 11 Jan 96 p 5

[Article by "KRZYN": "Will Capital Flow In?"]

[FBIS Translated Excerpt] *Most foreign equity companies are active in big cities.* [passage omitted]

According to the state-owned Foreign Investments Agency [PAIZ], the leading provinces are those of Warsaw, Poznan, Gdansk, and Katowice.

Last year, the number of foreign equity companies totaled 1,300. Most of them are in Katowice (293), Gliwice (109), Bytom, Chorzow, and Zabrze (about 50 each). The fewest, with only one such company, are in Slawkowo, Zebrzydowice, Kuznia Raciborska, Zbroslawice, and Bierun. "Our experience shows that town administrators of Olkusz, Jaworzno, Tarnowskie Gory, Jastrzebie, and Tychy are most open to cooperation," TRYBUNA found out at the voivodship Office of Foreign Cooperation in Katowice.

In our province, German companies are dominant, followed by companies from Austria, France, the United States, Great Britain, the Netherlands, and Italy. In Katowice Province, there also are companies from remote continents—Asia, Africa, and Australia. In Katowice, for instance, there is a joint venture company with Japanese capital, in Sosnowiec one with Chinese capital, and in Wodzislaw Slaski Algerian capital.

The major investors (according to PAIZ) are companies from well-developed countries, primarily the biggest ones. BASF, which employs more than 110,000 workers all over the world, has a few offices in Poland—among others, in Warsaw, Lodz, Poznan, and Katowice. Finland's Nokia, in cooperation with Polish company Liberty Holding from Bytom, has started manufacturing television sets at the Elzab plant in Zabrze. Amoco Poland Ltd. obtained a license from the Ministry of Environmental Protection, Natural Resources, and Forestry [MOSZNiF] to prospect for and discover methane from coal deposits in a 487-square-kilometer area between Katowice and Czechowice-Dziedzice. In the course of the first three years of prospecting, the company is to invest approximately $10 million. Last year, the company invested about $3 million. Furthermore, this year Amoco has decided to build a network of 150 company gas stations. Although the investment is planned for five to 10 years, this year alone 10-15 gas stations are to be opened in the largest cities and along the main transportation roads. "Poland is an excellent market for investments in the petroleum sector," Charles Woodbeck, president of Amoco Petroleum says. "This is due to the growing number of cars in your country and the central location of Poland in the European transportation system."

Poland: Investment by Foreign Firms Viewed

WS1901104796 Gdansk DZIENNIK BALTYCKI in Polish 29 Dec 95 p 8

[Article by Jan Kreft: "The Foreign One"]

[FBIS Translated Excerpt] *Under a Christmas tree, a couple of days before the Christmas holiday, the South Korean authorities agreed to Daewoo's investing in the [FSO] automobile plant. Taking into account several car assembly plants and the withdrawal of Peugeot from Lublin, one can say that after the tire manufacturers came to Poland, the time has come for car manufacturers. The Daewoo investment is one of the largest ventures of foreign capital in Poland. This capital is being stongly used to effect ownership changes in the Polish economy.* [passage omitted]

Rich Santa Claus

The last months of the passing year brought some large ventures.

There was an agreement with Michelin, the biggest contract made by the Ministry of Privitzation [MPW] ($111 million for 52.1 percent of Stomil shares); there was the purchase of shares from TC Debica by Goodyear ($55 million for 32.7 percent of TC Debica shares). The past two weeks brought two large investments in the tobacco sector: On 22 December, the French company Seita purchased 32 percent of shares of the Tobacco Industry Plant SA in Radom for $64 million. Similar to other investors, Seita committed itself to invest an additional $40 million in the next three years, to maintain the present level of employment for two years, and to raise wages by 30 percent. A few days earlier, the shares of the tobacco plant in Augustow also were sold. In the course of several days, the Treasury was replenished with some hundreds of millions of dollars, large companies found new co-owners, and the MPW met the provisions of the budget revenues for this year.

Appetites

In the view of experts, foreign investors are waiting for big privatizations: telecommunications, tobacco industry

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enterprises, oil industry, and some banks. In all of these cases, equally important as the companies themselves are the markets they supply. These are the fields that will decide our living standards in the future. If these sectors continue to be state-owned, their products will be more expensive than they need be.

Foreign capital will also be present in such large projects as those of GSM, privatization of the Polish copper industry, Centrum Department Stores, RUCH, the state-owned press distributor and dealer, perhaps Powszechny Bank Kredytowy (PBK SA), PKO-BP bank, Bank Handlowy SA (BH SA) in Warsaw, all of which will participate in big consolidation processes. Foreign investors will probably be interested in public sales of shares of such enterprises as pulp-paper mills in Swiec, the nitrate plants in Pulawy-Kedzierzyn-Kozle and Tarno, the Florian steel plant in Swietochlowice, the Zelmer plant in Rzeszow, Polar in Wroclaw, Tychy breweries, the cable plant in Ozarow, Instalexport, and the Orbis Polish travel bureau. The December forecasts are clear: the government will undertake activities zeroing in on making Poland more attractive to foreign investors. It is envisaged that in 1996 about 90 enterprises will be embraced by capital privatization, and selling companies by way of tender will be launched. What will result is another matter. [passage omitted]

The MPW recently discussed its activity under the management of Minister Kaczmarek—that is, during the past two years. During that time, foreign investors have purchased 38 percent of the shares of 55 enterprises privatized by way of capital. According to the MPW, the joint ventures sold to foreigners to a greater extent than domestic ones, are implementing complex modernization strategies, making significant investments, upgrading old and introducing new products, and, above all, they have better access to foreign markets. These joint ventures show a quicker adaptation to market economy conditions, an improvement in economic and financial outcome, and big investment dynamics.

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Romania: Tinca Speech on 'Civil Control' Over Army

AU1801191096 Bucharest Radio Romania Network in Romanian 2000 GMT 17 Jan 96

['Excerpt' from speech by Defense Minister Gheorghe Tinca at the inauguration of a new course of lectures at the National Defense College; in Bucharest on 17 January—recorded]

[FBIS Translated Text] I regard the National Defense College as a university of Romania's national security, as a place for training, but also as a source of ideas leading to action for our better adjustment to reality in our country and in the world.

To be more specific, I will say that the college represents one of the ways by which we could reach, gradually, of course, the core of one of the most important concepts of democratic society, namely, that of civil control over the armed forces. Although not too much has been said about this, we have to point out, no doubt with satisfaction, that in this domain we have achieved a great deal. Significant steps have been made lately in our country to effectively achieve this political control. I am not referring merely to the fact that for the past two years the defense minister has been a civilian. The civil political control, which is definitely more complex than that, is already elaborating and applying the objectives of our defense policy, it coordinates the actions intended to reform the armed forces, ensures the openness of military actions, and drafts the defense budget. The future law on the organization and functioning of the National Defense Ministry will lend considerably more specific content to civil control over the Army.

All this has already been achieved, and this basis allows us to scrutinize the future.

In my opinion, some of the structures currently ensuring the civilian-military interface in the National Defense Ministry, Parliament, the presidency, and the government will have to be developed so that they could comply with their specific attributions. We will have to make further efforts to develop specific aptitudes and to train civilian experts in these domains, because the responsibility for our national security does not belong exclusively to the military. It is, rather, the political responsibility pertaining to the civil political factors, and, second, only, it is the professional responsibility of the military.

This is why I state that the gates of the Defense Ministry will be opened increasingly wide for many civilian experts, whom we will doubtlessly have to train first.

I am not asserting theses selected from foreign works, rather I am trying to submit to your meditation this direction of action, which is mandatory if we are to achieve more coherence in everything we do to reform our country.

The new army we wish for ourselves fully complies with the democratic society model Romania is currently heading for. The Army is not a separate part, but rather an integrated one of Romanian society. If I may say so, no army can be better or worse that the society it belongs to.

The progress we achieve on the way to reform and democratization should, at the same time, mean progress for the Army as well. Personally, my wishes go even beyond that, and I believe it is possible that the Army should be the forerunner in applying reform, as it is profoundly interested in this entire process.

Reform in the Army, that is, making it more professional and modernizing it, does not boil down to the alteration of its structures or to increasing the number of its permanently employed civilians. The latter, together with other similar things, are merely the starting point. This work cannot be concluded before we reach the point when the Army's statute and its role in society is in full concordance with the values of democracy and the rule-of-law state. Civil control does not stop as soon as civilian ministers are appointed at the head of the Defense or Interior Ministries. Civil control has to connect the Army to the transformations taking place in modern society and to turn it into a part of tomorrow's integrated and computer-age global society.

International experience proved that armies that are isolated from general evolutions taking place in society may display behaviors dominated solely by the inertness of their internal bureaucracy. They become simple budget-consumers, and their ability to correctly assume defense tasks diminishes.

We would like our military personnel to become citizens whose chosen profession is that of arms, and whom we should take care of so that they could carry out their mission and so that we could rely on them if need be.

In our country, as in other places as well, the Army defends the integrity, independence, and sovereignty of the state, as well as constitutional democracy. To be able to act as a force guaranteeing these things, the Army has to belong to everyone and be an expression of democracy. We all have to strive to keep the military out of political competition. In view of the electoral campaign this year, I would like to publicly assert our wish to see that the political forces will continue to observe this essential rule of any mature democracy. Let us consolidate what we achieved so far and let us not hesitate to tell others that in Romania the Army is no

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maneuvering mass in the political field. As a matter of fact, the best policy that parties can conduct with respect to the Army is to avoid involving it in the political competition. I would even say that such a policy is also efficient from the electoral point of view. Let us make it easier for the Army to always rest anchored in the deep waters of national interest.

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Slovenia: Thaler To Visit Bosnia To Discuss Ties

AU1801190596 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 18 Jan 96

[FBIS Translated Text] Foreign Minister Zoran Thaler and a Foreign Ministry delegation will officially visit Bosnia-Herzegovina tomorrow. Thaler will meet there with Bosnia-Herzegovina Foreign Minister Sacirbegovic, Prime Minister Silajdzic, President Izetbegovic, and representatives of Slovenes living in Bosnia.

As the Foreign Ministry informed, the visit will be devoted primarily to expanding economic, cultural, and political ties between the countries. They will also touch upon the problem of refugees, the question of the succession of the former Yugoslavia, and the security and political situation in the Balkans following the signing of the Dayton agreement.

Slovenia: Peterle Calls Foreign Policy 'Inept'

AU1201172096 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 12 Jan 96

[FBIS Translated Text] Lojze Peterle, member of the [State Chamber] commission [for international relations], who arrived at a Christian Democrat news conference from a session of the Parliamentary Committee for International Relations, attacked the government's foreign policy. He criticized the government for its inept foreign strategy, which could again leave us outside the EU at a relatively favorable moment for our rapprochement with this association. Gojko Brvar reports from the news conference:

[Brvar] Peterle criticized the prime minister for discussing without any basis matters that should be the subject of a national consensus with representatives of the opposition:

[Peterle] If the coalition itself does not define the direction in this area, which the prime minister or, on his instructions, the foreign minister is in charge of, then the opposition will find it difficult to state what it favors and what not. I have already said publicly that there will be no result if the prime minister asks one or other political party whether or not it approves without specifying what this approval refers to.

[Brvar] In the opinion of the president of the Christian Democrats, the opposition cannot take a position on something that has not been offered to it. We should first reach a consensus on the European strategy within the coalition, but, instead of forming and presenting the government strategy, the prime minister is now asking the opposition about foreign policy.

In light of the statement by Italian Prime Minister Agnelli [title as heard], Peterle wonders what Slovenia has already promised Italy. He fears that the government will try to manipulate the vote on the agreement through the time constraint instead of preparing for the matter at an expert level and drawing up alternatives.

Slovenia: New Radar System Installed Near Capital

AU0801181196 Ljubljana DNEVNIK in Slovene 30 Dec 95 p 14

[Unattributed report: "A New Eye Keeps Vigil Over Slovenia"]

[FBIS Translated Text] Ljubljanski Vrh, 30 December—Defense of our country's air space is one of the Slovene Army's fundamental tasks. This cannot be ensured without good monitoring of our air space. The TPS 70 long-range radar system, which the Defense Ministry has installed on the 818-meter Ljubljanski Vrh, only a few kilometers from Vrhnika, is a very important achievement in the defense system.

An agreement to purchase the new radar system was signed in 1994, while the actual system was set up at the beginning of December and is now undergoing testing. Its unique feature is its mobility; it can be transferred to another location in a crisis situation. For that reason it does not have the characteristic protective cupola like the radar system on Ljubljanski Vrh.

A Defense Ministry delegation headed by Defense Minister Jelko Kacin visited Ljubljana Vrh yesterday afternoon. Since 1992 the Slovene Army has been using only one such radar system, which will soon need servicing. For the beginning of 1996 an even higher degree of monitoring of our country's air space is planned with the so-called "multi-radar tracking operation," which means that data from several radar systems will be projected onto one screen.

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Federal

FRY: Candidates for Ambassador to Bosnia Named

AU1801151596 Belgrade NASA BORBA in Serbo-Croatian 18 Jan 96 p 24

[FONET report: "Miljus and Kecmanovic—Candidates for FRY Ambassador in Bosnia-Herzegovina?"]

[FBIS Translated Text] Belgrade—The most serious candidate for first FRY ambassador to the Federation of Bosnia-Herzegovina, as SRNA reported yesterday, is a former youth organization official from Sarajevo, Branko Miljus.

Citing diplomatic circles in Belgrade, the agency added that Miljus was offered this post from the "highest authority" and that his answer was expected.

SRNA added that Nenad Kecmanovic, former member of the presidency of the former Bosnia-Herzegovina, was mentioned as the second candidate for this post.

FRY: Assembly To Discuss PFP Membership

AU1201161896 Belgrade NASA BORBA in Serbo-Croatian 12 Jan 96 p 5

[Report by B. Cani: "'Pray God That They Accept Us'"]

[FBIS Translated Excerpt] "Pray God that the FRY is immediately accepted into NATO. Unfortunately, membership in the Partnership for Peace does not imply automatic membership in NATO," Miroslav Stefanovic, deputy of New Democracy in the Federal Assembly, said for NASA BORBA.

Stefanovic is, by the way, one of the first advocates of the initiative for FRY membership in the Partnership for Peace program. This initiative, after it was presented to the public for the first time at the sixth electoral assembly of New Democracy two days ago, has been submitted as an official proposal by this party to the Federal Assembly. [passage omitted]

FRY: Official Stresses Russia's Peacemaking Role

LD1301115396 Belgrade TANJUG in English 1141 GMT 13 Jan 96

[FBIS Transcribed Text] Belgrade, Jan. 13 (TANJUG)—Serbian parliament speaker Dragan Tomic said on Friday that Russia was playing a very important role in the restoration of peace in the former Yugoslavia.

The Serbian parliament's information service quoted Tomic as speaking in a meeting with a visiting Russian Constitutional Court delegation, headed by Constitutional Court President Vladimir Tumanov.

Tomic said that the Dayton peace agreement and the Paris peace conference were turning-points on the path towards peace, understanding and cooperation between all countries that emerged in the territory of the former Yugoslavia.

Time has come for economic recovery, development and prosperity of the Federal Republic of Yugoslavia, Tomic said.

Tumanov said that Yugoslavia had overcome with dignity all problems imposed on it under the comprehensive and mandatory U.N. sanctions.

In a meeting in Belgrade on Friday between Yugoslav Federal Court President Borivoje Vukicevic and the Russian delegation, an agreement in principle was reached to establish cooperation between the countries' highest regular courts.

Detailed information were also exchanged about the courts' composition, competence and work and about the Yugoslav and Russian judicial systems, the Yugoslav information secretariat said in a statement.

FRY: Daily Analyzes Defense Costs

AU0701212196 Novi Sad DNEVNIK in Serbo-Croatian 26 Dec 95 p 5

[Article by Velisa Krstanovic: "Means for the Army Only Seem High"]

[FBIS Translated Text] Explaining the basic characteristics and structure of the federal budget item related to the defense of the country, Pavle Bulatovic, the federal defense minister, said in the latest session of the Federal Parliament that the means for the defense were only seemingly high, and that they were, compared to other countries, exceptionally low. The federal budget for 1996 amounts to 5.987 million dinars, and 4.215 million or 73.7 percent are allocated for defense, which is 7 percent of the estimated GNP.

The minister explains that in relation to 1995, the portion of defense costs in the GNP has been reduced by 0.5 percent and in the budget by 2.5 percent. At first sight, this might seem to be a relatively small reduction in absolute numbers, but it means that the costs for defense will not exceed 301 million dinars in 1996. This is a direct contribution of the country's defense to "Program 2," since defense would actually need 5.435 million dinars. In other words, the defense budget should increase by 1.220 million dinars.

The means necessary for the country's defense can create the impression that the state is highly militarized, but Bulatovic concludes that this is only seemingly so.

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The proposed 4.215 million dinars—as he explained—correspond to $880 million according to the present exchange rate. Not so long ago the budget of the former Socialist Federative Republic of Yugoslavia amounted to $2.5 billion, and the budget for 1995 was still over $1 billion.

Less Than in Neighboring Countries

The defense budget includes the following items: costs for the maintenance of the Army amounting to $614 million, which is, compared to other countries, exceptionally low, since the amount allocated for the maintenance of the Yugoslav Army is only $58 per capita or $5,000 per soldier. This is less than in almost all of the neighboring countries, and it is several times lower than army costs in countries in the broader region. Defense costs share in the public expenditure with only 14.7 percent and in the total budget expenditure with 22.7 percent. The federal defense minister explained that the proposed amount would not be allocated completely to the Yugoslav Army. The amount of 158 million dinars is allocated for the work of the Federal Defense Ministry, 525 million dinars is allocated for military pensions, and 602 million dinars for development programs and defense system equipment according to a special law. This means that only 2.930 million dinars will be spent on the Army's current costs and not the total amount of over 4 billion.

This sum, 1.983 million dinars, will be spent on expenditures that go back to the economy. One third is the means for the first part of development programs that will be performed during the next five years, which grant a large section of the economy a stable business activity. Through taxes on gross salaries, on compensations of material costs and military pensions, 796 million dinars, or 19 percent of all costs, flows back to legal funds. This amounts to 66 percent of all means, which means that those employed in national defense and persons retired from the Army cost only 1.436 million dinars, which is 34 percent of the defense costs.

Army Pays Taxes and Other Contributions

When buying goods, apart from weapons and military equipment, military units and institutions pay the turnover tax, the consumption tax, and other contributions. The proposed defense budget corresponds to the real needs of defense as well as to financial possibilities of the economy and citizens, and it is adapted more to financial possibilities and less to the military and political situation in the region. The largest items in the defense budget are incomes (gross salaries amount to 1.3 billion dinars), followed by material costs (392 million) and additional means for military pensions (525 million dinars), which amounts to 2.232 million dinars, or 52.9 percent of the proposed budget.

The federal defense minister says that incomes as well as military pensions—which follow the income structure of professional soldiers—are planned on the basis of 279 dinars, which is the lowest legal coefficient for the coordination of incomes in the Army with those in the country's economy. Material costs are the same as with those employed in the business sector, the largest item being allowances paid for separation from one's family (14.430 persons), followed by vacation allowances, paid lunches, and enhanced income paid for the performance of duties in difficult conditions in the field. Officers earn 724 dinars on average, which is one of the reasons young professionals leave the Army. This is one of the reasons interest in the military profession is falling, which is bad in Bulatovic's opinion, since it could have long-term negative effects on the quality of Yugoslav Army personnel.

[Box, p 5]

One Percent of GNP for Development

The special law on financing medium-term programs for developing the defense system has made it possible for the federal budget to guarantee means for development and equipment beginning in 1996. This will, naturally, depend on the economic situation. This should amount to 1 percent of GNP per year. The amount of 602 million dinars, or 14.3 percent of the defense budget, is envisaged for the development and equipment of the Army. The priorities are acquisitions and the modernization of weapons and military equipment.

15,000 Families Without Apartments

The lack of money for covering current material costs is especially reflected in apartments. There are 15,000 members of the Yugoslav Army without apartments, and approximately 8,000 have substandard apartments. The situation of the citizens of Serbia and Montenegro who came to Serbia as Army members from other former republics is especially difficult. Approximately 13,000 professional Yugoslav Army members came with approximately 40,000 family members to Serbia.

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Serbia

Serbia: Seselj Ready To Testify Against Milosevic

AU1901113496 Bad Vilbel VESTI in Serbo-Croatian 19 Jan 96 p 3

[Report by J.B.: "They Are Afraid of My Going to The Hague"]

[FBIS Translated Text] Vojislav Seselj, leader of the Serbian Radical Party [SRS], has finally gotten his passport, which had been "lying" in the Serbian Interior Ministry waiting to be extended since December.

Milosevic's agents either wiretapped my conversation with NASA BORBA's correspondent or they heard that the information regarding my passport would be published, so they hastily wanted to "iron out" the matter, Seselj claims. They did not give me a new passport, they just extended the old one in which there is no room left for new stamps, which means that I can only travel to countries which do not require Yugoslavs to have a visa.

Seselj added that the entire circus could be connected with the The Hague War Crimes Tribunal because, according to him, the Serbian president has reason to fear the leader of the Radicals being a witness for the international tribunal in certain cases.

I am ready to travel to The Hague if need be, but the authorities know that the SRS has evidence that would incriminate Milosevic and that is why they are afraid of my going abroad, Seselj explained.

Serbia: TV Program Canceled Over Markovic Parody

AU1201104296

[FBIS Editorial Report] Belgrade VREME in Serbo-Croatian in 6 January edition on pages 14 to 16 carries a 3,000-word report by Petar Lukovic about the unexpected, last-minute cancellation of the New Year program of the Third Channel of the Radio and Television Serbia [RTS] because it allegedly contained a character that parodied Mira Markovic, president of the Yugoslav Left and the wife of Serbian President Milosevic.

As Lukovic writes, Stefan Grubac, editor in chief of the Third Channel, commissioned an entertaining 150-minute New Year program, which, according to its screenwriter Vojislav Zanetic, consisted of joking sketches and music, but contained "no political allusions, and none of the people who filmed it were involved in politics." The program, among other characters, featured "a fortune-teller" who told the future from coffee grounds, was dressed in black, and wore a flower in her hair. Although Editor in Chief Grubac reportedly had no objections to the character during the filming, which he attended—"some claim that he even laughed on a few occasions"—he subsequently questioned its suitability and on 31 December requested that the fortune-teller's scenes be cut, which the director of the program declined on the grounds that they accounted for nearly a third of the program. Undecided, Grubac then, according to "VREME's sources," immediately contacted RTS Director General Milanovic. Together with "a group of RTS employees," they previewed the program and concluded that "the fortuneteller was not morally and politically appropriate," that "the allusions to the comrade" were blatant, and that "there was no need to broadcast this sort of harmful material at a time when the viewers are merry, in good spirits, and full of peaceful optimism."

When the director, the screenwriter, and the actors of the program arrived in Grubac's office on 2 January to demand an explanation as to why the program was not broadcast, Grubac reportedly exclaimed that the program was withdrawn "because the New Year is a holiday, and certain elements should be avoided during the holidays." In an ensuing debate, when asked to explain which "elements" of the program were controversial, Grubac replied: "I will not tell you. It is my prerogative as the editor not to tell you." At the end of the meeting, he reportedly added ominously: "You have no idea whatsoever what could have happened."

Asked by the author of the article to comment on the meaning of "the famous flower in the hair," screenwriter Zanetic says: "I have no idea, by God, and did not even notice it.... I have been writing for the Index Theater for so many years, and had I wanted to mock Dr. Markovic, I certain would not have done it by placing a flower in an actress's hair and making her peer into a coffee cup. I mean, the central question is: Why does a woman in a black robe, with a flower in her hair, and with a cup of coffee remind Stefan Grubac of Dr. Mira Markovic?"

Serbia: Appointment of New TV Chief Condemned

AU1201165196 Belgrade NASA BORBA in Serbo-Croatian 11 Jan 96 p 8

[Commentary by Nikola Burzan: "A Symbol of the Regime"]

[FBIS Translated Text] It was said a long time ago that a nation gets the government that it deserves. However, as with any rule, this, too, has an exception. The Serbian people and the Serbian Government cannot be considered part of this.

The latest evidence of this is the government's proposal to appoint the current federal chief of police as head of

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Radio Television Serbia's [RTS] Board of Directors, the largest, most powerful and influential news organization in the country. What sort of regime would come up with such an idea? An absolutist, dictatorial, or totalitarian one? One thing is certain: not a democratic one.

I truly have nothing against Mr. Vukasin Jokanovic, simultaneously a federal deputy and chief of the federal police. If I am not mistaken, he has already served a term as chairman of the RTS Board of Directors, so one could argue that he has "studied the subject," gained experience, and will, therefore, once again do a good job. However, at that time he was not chief of police, and this is precisely the great, enormous difference.

By opting for Jokanovic, the chief of police, at the present moment, the Serbian Government could not have made a worse or more unpopular move. It discredits the regime, laughs in the face of democracy, and justifies those who still claim that Serbia "is still a dictatorship rather than a democratic country" and that "police terror is mounting" in it.

If to all this we add that not a single representative of a single parliamentary opposition party was among the candidates for the post of chairman of the board (but two Yugoslav Left members are), it is not hard to deduce that Serbia is reverting to a one-party system, which the language of the civilized world calls totalitarianism. If, additionally, pursuant to the new law, Mr. Jokanovic is appointed a general....

It has, of course, happened that a chief of police became foreign minister (Klaus Kinkel, for example) or a head of the secret service became head of diplomacy (Yevgeniy Primakov). However, for the chief of police to become the supreme supervisor of a national news company is truly unheard of! Unfortunately, this only testifies to the essence and nature of our regime, more so than robbing bank savers and farmers, arresting opposition members, clamping down on the independent media, firing unsuitable journalists, and so forth.

We can suppose with a great degree of certainty why the government has opted for the chief of police: Elections are drawing close and the powerful RTS needs to be ruled by an iron fist and kept under strict control. And in the view of such a regime, the end—election victory—justifies all means.

Serbia: Factory Fire Said To Be Set by Workers

AU1101091296 Belgrade NASA BORBA in Serbo-Croatian 4 Jan 96 p 11

[Report by Z. Radovanovic: "Fire Set by Discontent?"]

[FBIS Translated Text] Kragujevac—The New Year's fireworks at the Zastava plant, that is, a big fire in the Montaza branch factory of Zastava Automobiles Plant that, let us remember, blazed up in the night on New Year's Eve, is still the topic of the day in Kragujevac. This is quite logical, since it is known that in the capital of Sumadija almost every household is connected in some way with Zastava and its biggest and most important factory, in which the fire caused great material damage. According to early, unofficial estimates, the fire in the Montaza factory, where cars are put together (which used to be the biggest OOUR [Basic Organization of Associated Labor] in the former SFRY, employing the most workers), caused damage amounting to between several tens of millions up to 100 million German marks. However, there are open fears that the damage might be far greater.

Republic and local officials who visited Zastava immediately after the fire have said what they had to say, for the most part, and promised material aid for repairing damages caused by the fire. Although an investigation was started immediately, nothing has been said officially about the causes of the fire in the Zastava factory. True, certain newspapers have come up with an assumption that the unprecedented fire in the middle of the factory was caused by negligence, that is, that workers left a heater on. However, this has been strongly denied by investigating bodies in charge of the case.

The aforementioned assumption has not only caused reaction from the authorities but also from local citizens, who view workers' negligence as the least probable cause of the fire in Zastava. To put it simply, public opinion in Kragujevac fears that the fire in Zastava (unprecedented in the one and a half centuries of its existence and uninterrupted work) was caused by—discontent. Because it is a public secret that in Zastava everybody, starting with the board of executives to the janitors, is dissatisfied. The latter, whose job is to safeguard the factory and its property, are embittered because they have not received salaries for months, while what little money they get sometimes at the company cashier's office is not sufficient to cover even basic needs. Therefore, two days before New Year's Eve (and the fire) they blocked all entrances to Zastava's premises, and demonstrating their resolve to persevere in their protest, they came out of the entrance gates armed to the teeth. As the factory virtually ceased to work at those moments, the management asked city police, just as well armed, for help, and logically, it came to clashes and shooting, in which one security guard was wounded. Thus it is not hard to suppose in what kind of mood Zastava's security guards or janitors, as they are called here, celebrated the New Year's Eve.

Furthermore, the mood in which other Zastava workers saw the old year off was no better, for the majority

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of them (some 30,000) are still on forced vacations. Sanctions have been suspended, although there are no indications, nor is Zastava giving any signs, that they would return to their places of work at the factory. Instead, news has leaked out that Srboljub Vasovic openly stated at one meeting of directors (partially open to the public) that, if they failed to conclude a contract on joint production of cars with any important foreign car manufacturer within the next six months, Zastava would experience not a bankruptcy but a disaster.

In view of this it is not hard to conclude how satisfied really are as well the biggest Yugoslav firm's executives, whom the state has been promising for years subsidies to help them survive the most difficult business agony in Zastava's history. Most of those promises, of course, have never been fulfilled.

Serbia: Unemployment, Falling Production Reported

AU0801171496 Belgrade NASA BORBA in Serbo-Croatian 3 Jan 96 p 8

[Report by Bojana Jager: "Negative Results of 'Successful' Politics"]

[FBIS Translated Text] A study of the social and economic situation of families with children in Serbia, conducted by the Institute of Economics, shows how the Serbian economy deteriorated between 1990 and 1994, poverty deepened, and children and the young generation lost their future. The study, which was carried out by a group of eminent exports headed by Aleksandra Posarac, says that the crisis has made everybody equally poor and a large number of people extremely dependent on the state.

During the four years of crisis, the country's GNP fell by 6.6 percent in 1990, by 8.2 percent in 1991, when the physical disintegration of the SFRY started and the war in Croatia broke out, by 26.2 percent in 1992, when the fires of war started raging in Bosnia-Herzegovina and sanctions were introduced against the FRY, by a further 27.7 percent in 1993, the year of hyperinflation, while in 1994, the year of economic stabilization, there was 6.5 percent growth. We can see that the final result is still a drop in GNP, 51.3 percent lower in 1994 than in 1989. Economic activity had been drastically reduced; the level of activity in 29 out of a total of 36 industries fell below 50 percent of the 1989 level. Unemployment has become an acute, still unresolved social problem since, after the temporary recovery of the economy in the first months of 1994, production has again been falling since November 1994 and the economy remains in deep recession.

Employed Do Not Have Anything To Do

The number of those employed in state or socially owned companies has steadily fallen from 2.73 million to 2.1 million by August 1995. Private companies, which now employ 258,000 people, have obviously not been able to employ workers who lost their jobs in socially owned companies. The figure that remained stable during the first three years of the crisis was, unfortunately, the number for those officially registered as unemployed. Since mid-1995, however, the number has been on the rise. In August 1995, 779,000 people were out of work, predominantly young people: 46 percent are between 15 and 24 years of age and 33.5 percent are between 25 and 34. Only 2 percent receive unemployment benefits, which clearly shows how poor the country's economy is.

To the number of officially unemployed we must add those who are employed but are effectively redundant; these were 17 to 20 percent in Serbia in 1990. The more serious the crisis becomes and economic activity falls, the more this kind of redundancy grows in a large number of companies. It is claimed in the study that the number of excess employees already stands at 50 percent of the total number of employees in socially and state-owned companies. If the 900,000 formally employed, but who are actually redundant, are added to the people out of job, the unemployed figure would rise to almost 1.7 million, which exceeds the number the those actually employed in the socially and state owned sector by 16 percent. This means that 37.4 percent of the population able to work are unemployed. That there are also approximately 300,000 refugees looking for a job makes the situation even worse. For all these redundant but still employed people, the companies are paying salaries and social security benefits, which means that it is the companies that are making social policy rather than the state, which additionally affects their productivity.

A Quarter of a Century for Recovery

Yugoslavs have increasingly less money in their wallets. Expressed in dollars, according to the official exchange rate, in 1991 a consumer unit within a household had an average monthly income of $225.8, which amounted an average of $641 per household. Four years later, the numbers were $103 and $290. After the erosion of incomes and pensions and their real growth in 1994, incomes decreased again in 1995, so real income in October 1995 was a third lower than in December 1994. Regarding prices, the situation is the reverse. After the monthly price rises of 313 million percent at the beginning of Avramovic's program, there was a short

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stabilization interval. It is estimated that final figures for 1995 will show annual inflation at around 120 percent.

One of the consequences of this grave crisis is that the standard of living of a large number of people now depends directly on state transfers: There are 725,000 children who receive child allowances, around 100,000 families who receive some kind of financial help, 1.35 million pensioners, etc. With the fall in GNP, the money for these transfers (in cash or through the social services) has been reduced by over half. Payment of old-age and disability pensions is one of the state's priorities—to the disadvantage of everything else. The situation is even more complicated since one of the conditions for economic stabilization and recovery is the reduction of public expenditure, which again means deterioration of what is anyway a very low individual and social standard.

This is what the crisis has brought. And what has the attempt to achieve stabilization with Avramovic's program brought after two years? There was a fragile initial stability, but since October 1994 industrial production has been falling again (between October 1994 and 1995 it was falling by 0.7 percent per month, measured by geometric progression) and prices have been rising.

Future prospects can best be illustrated with the following information. According to a calculation made by the Economics Institute, 5-percent growth, which is very high, for 25 years would be necessary to reach the 1989 level of industrial activity. In other words, a quarter of a century is necessary to return the lost past.

Kosovo

Kosovo: Serb Stance on U.S. Center in Pristina Viewed

LD1101220496 Belgrade BETA in Serbo-Croatian 1916 GMT 11 Jan 96

[FBIS Translated Text] Pristina, 11 Jan (BETA)—The announced opening of a U.S. information center in Pristina and the decision to open a Kosovo office in Washington "can be seen as a step prior to international recognition of Kosovo" and "a move toward internationalizing and according better political treatment to the Kosovo issue," the Albanian-language Pristina-based daily BUJKU writes today.

According to BUJKU, "the regime in Belgrade has so far refused to give permission for a U.S. mission [predstavnistvo] in Pristina since this would be tantamount to a U.S. presence in Kosovo."

Dzemail Mustafa, an advisor to Ibrahim Rugova, leader of the Kosovo Albanians, described the announcement about the U.S. mission in Pristina as "an advance in relations between Kosovo and the United States."

According to BUJKU, "Serb officials and the press they control have remained silent about this announcement."

Montenegro

Montenegro: Designs on E. Herzegovina Condemned

AU1801135396 Podgorica MONITOR in Serbo-Croatian 12 Jan 96 pp 16-17

[Commentary by Branko Vojicic: "A Millstone Around the Neck"]

[FBIS Translated Text] It is highly likely that Montenegro, "for the good of the nation" and according to some internal, all-Serbian division of labor, will inherit, as a sphere of interest, whatever is left of Herzegovina in Karadzic's entity. The local authorities have recently demonstrated a resolve not only to unblock this appendage to the Serb Republic but also to annex and sustain it. In this way, they have clearly shown what they think about the future of the neighboring and internationally recognized state of Bosnia- Herzegovina and how much they care about the Dayton peace agreement.

As soon as the Montenegrin Government announced that it had opened an account for humanitarian aid for the population in Herzegovina municipalities, the whole affair was given a political connotation with the name "Serb Herzegovina" being introduced into official use. This entity does not exist in the Dayton agreement, but the Montenegrin Government has introduced it through its announcement. A few days later, a joint Montenegrin-Herzegovina body was formed at a meeting of representatives of the Montenegrin and Herzegovina business communities held at the Montenegrin Chamber of Commerce, which will take care of all aspects of mutual integration—to the detriment of others, as it turned out!

Can Montenegro pursue its happiness and build bridges of cooperation with Herzegovina on other people's misery? No reasonable person has anything against all types of mutual links, establishing payment systems, the free movement of people, goods, capital, and ideas, or the construction of factories and hydroelectric plants. However, why is it only with Herzegovina, rather than the whole of Bosnia or neighboring Croatia? All the more so when one knows that the international community plans to invest $6 billion in the reconstruction of the devastated and wartorn Bosnia. Surely it is clear after everything that has happened that any type of isolation

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into local frameworks and shrouding in ideological veils is disastrous? What does the news, broadcast high and low, that representatives of the Sarajevo Famos factory and the Montenegrin Industry Ministry, in cooperation with the Niksic Ironworks, are to launch a project for reactivating the factory of this former Yugoslav giant, whose machinery has "already been taken out of Sarajevo and Vogosca" and relocated in Niksic, mean but the robbing and misappropriation of property that belongs to an internationally recognized state, for which we will ultimately pay a high price. It seems that some have forgotten just how politically damaging for Montenegro the appropriation of property and machinery from the Dubrovnik area was!

And while grandiose plans are being made over a joint strategy to develop the energy system, that is, the project on the Drina and Trebisnjica Rivers, which will include reactivating the mines and thermoelectric power stations in Gacko, the chroniclers of events here keep wondering: What is the significance of this sudden Montenegro-Herzegovina love affair in the mosaic of creating a future federation to comprise the current two members of the Serbo-Montenegrin community and the Serb part of Bosnia-Herzegovina. Aleksa Djilas addressed this in the last issue of MONITOR, which is not without a basis in the stance of the Serbian nationalistic elite. Moreover, they are not alone in the conviction that in a year or so, the "Zabljak Yugoslavia" will annex the Serb territories in Bosnia-Herzegovina, so they are already making moves that prejudge and desire precisely this.

Was it not Montenegrin President Momir Bulatovic who, in "Serb Herzegovina" two years ago, recognized in this segment of the disfigured Bosnian organism, "our historical aspiration and enduring fate." In his closing address at the ruling party's second congress, Bulatovic launched—by mistake perhaps—the idea of annexing the Serb part of Herzegovina to Montenegro. He said at the time, back in March 1994, that it was not in our interest (whose interest?—probably Montenegro's) either historically or traditionally to live together in a state with only Serbia. If tomorrow Herzegovina were to express a desire and democratically express its stance that it wished to live with us in the state of Montenegro, and together with it in Yugoslavia, we, according to Bulatovic, would have no reason not to acknowledge the fact that our forefathers' desires and our vital survival interests are today still turned toward not only Serbia, but also Herzegovina, and that we have close historical and economic links with the Krajinas. "If the Herzegovina people want to live with us and if we in Montenegro democratically confirm that such a desire exists on our side, why then should it not be so? Why not establish a unique region in which we painfully have to erect borders only when there is a need to protect our state from war, which was relentlessly approaching from that side," Bulatovic argued convincingly. And no wonder that this is so, since the annexation of Herzegovina to Montenegro would fulfill the president's enduring dream of annexing Ljubinje, the place were he was "conspiratorially baptized by Grandma Janica."

Bulatovic obviously acts on his words. A Serb woman is yet to give birth to such a man....

The president is not worried that this would mean the destruction of the Montenegrins and Montenegro, because the Montenegrins would soon become a national minority in their mother country, as the Liberals explained, warning that this could be interpreted as an open announcement of coveting another country's territory, that is, a verbal act of aggression! The Social Democrats, on the other hand, characterized all this as a pose from the president, who does not see as a significant problem "the incompatibility of the fascist concept of an ethnically pure Herzegovina and a civic Montenegro, the ethics and epics of Vucurevic [Serb warlord in eastern Herzegovina], a truck driver and war profiteer, with St. Peter of Cetinje...."

Kilibarda [People's Party leader] has complained to Bulatovic that he has "appropriated" the People Party's idea but that "his presentation was poor." He then proceeded to say the following: "Mr. Bulatovic, a politician who takes part in international conferences at which the Yugoslav crisis is discussed, has not devoted a single word to the fact that the Serb Republic, whose president is Mr. Karadzic, has all the outlines of a state and that Herzegovina is a constituent part of this heroic, newly founded Serb state, forged through a struggle for liberation."

From the perspective of Montenegrins who think of themselves as a separate national entity and those of its citizens who would like to maintain Montenegro as an oasis of civic society, the annexation of Herzegovina cannot resemble anything else but the testing of ground for its permanent annexation to the unitary national Serb state, warns—and with reason—Dragoljub Vukovic, NASA BORBA's correspondent from Montenegro. If at some point Herzegovina were to become a constituent part of Montenegro, it would be one reason less for Montenegro to be an "equal federal unit." Or to be a federal unit at all.

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Montenegro: Politician on Future of Federation

AU1901073596 Belgrade TELEGRAF in Serbo-Croatian 17 Jan 96 p 4

[Interview with Ljubisa Stankovic, professor at the Electro-Technical Department and member of the main committee of the Social Democratic Party, by Djoko Kesic, place and date not given: "I Am Surprised That the Serbs Have Not Demanded That Yugoslavia Change Its Name to Serbia and That the Montenegrins, With Their 1,000-Year Statehood, Have Agreed To Be a Region Within the 'Modern Federation'"]

[FBIS Translated Excerpt] Ljubisa Stankovic, professor at the Electro-Technical Faculty in Podgorica, one of the most persuasive spokesmen of the anti-bureaucratic revolution in Montenegro in the past and the leader of the Social Democratic Party today, has long parted ways with his "revolutionary cell." In an exclusive interview for TELEGRAF Professor Stankovic, has few kind words for Zuta Greda and those turbulent times from the time distance of seven years.

"The final judgment about those events will be passed by somebody from an even greater time distance and unburdened with the current policy.

"However, we can already anticipate what his judgment will be. The enormous energy and desire to change a system that proved to be economically ineffective and politically rigid was wasted with hardly any positive results at all. Or, to be precise, I believe that, in time, the negative elements have prevailed completely. I was, of course, aware of their existence from the very beginning when I ventured into it all, but I thought that the result could be identical to what was achieved in similar events later all over eastern Europe. I thought that this could truly and radically accelerate the democratic processes in Montenegro and in the wider region. However, those who did not share this goal prevailed and they are now in power in Montenegro." [passage omitted]

[Kesic] Divisions between Serbia and Montenegro are increasingly present on our political scene. Who is "making a Slovenia" out of Montenegro?

[Stankovic] In my opinion, the present form of the federation cannot survive. The two entirely natural and mutually exclusive tendencies of its federal units speak against it. On one hand, there is the natural tendency of the incomparably bigger Serbia to transform its personal and economic strength, which is considerably greater than that of Montenegro, into political influence over the federation. There is a natural tendency for the federation, ruled by domineering Serbia, to assume all the vital functions. I am convinced that there is not one normal citizen in Serbia who would sincerely support a lasting federation in which Montenegro would, in all functions, have a status that was completely equal to that of Serbia. Besides, I wonder why the citizens of Serbia are not yet demanding that their country be named Serbia, regardless of its internal setup.

On the other hand, Montengro's statehood has a 1000-year tradition. Even in the most difficult times, when Turkey enslaved the entire Balkans, including Serbia, Montenegro was pictured as an independent territory on the Turkish maps of the time and independently elected its religious leaders, who simultaneously performed secular duties. At the beginning of this century, all the leading international powers had embassies in Montenegro, and the Montenegrins did not acquire a historic habit of travelling to either Constantinople or Belgrade for their passports and visas. I do not see why the present Montenegrin citizens should have to settle for the absence of what was formally recognized to them at the Berlin congress last century, which they fought for and practically held for 1,000 years. There is no authority nor circumstance that could transform Montenegro into a sort of a region "in the modern federation."

[Kesic] How powerful is the Liberal Movement in Montenegro?

[Stankovic] This is a movement that played a significant role in the affirmation of the anti-war factions in Montenegro. With this, they also gained wider support for their well-known views on Montenegro. However, I think that it is only one of the political factors with such beliefs on the Montenegrin political scene and also the one that will stagnate with the normalization of the situation on the territories of the former Yugoslavia. I, personally, (as well numerous others who were more or less close to them at various times) would certainly not feel more comfortable in a country ruled by them, bearing in mind all the negative experiences that I have had and regardless of the fact that this would probably be a country with borders that I would consider economically and politically optimal for Montenegro.

[Kesic] Would a civil war break out in Montenegro in the event of its secession?

[Stankovic] The ethnic structure of Montenegro, according to the latest 1990 census, is such that, apart from 62 percent Montenegrins, there are also 9 percent Serbs, 15 percent Muslims, and 6 percent Albanians. I do not know whether the Serbian public is sufficiently aware of this fact. When one raises the question of a civil war, one must examine possible initiators and participants in this war. If it is decided by a majority of votes that Montenegro should restore its sovereign functions, which it at one point transferred to the federation, it could definitely happen that a minority would not be satisfied with

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such a decision and would demonstrate its displeasure through an armed rebellion. We witnessed such events in other former Yugoslav republics. However, we also saw that these rebellions only lasted for as long as the republics in question wanted them. Wars ended when "the masters" demanded and when the people did not want to obey orders to move out. Knin is the best example of this. Therefore, there will be no "spontaneous" war.

[Kesic] Increasingly frequent stories about Montenegro's secession mention Italy as an important pillar, that is, supporter of such attempts?

[Stankovic] I believe that Montenegro, throughout its 1,000-year tradition, primarily learned to rely on itself and that when it relied on others, things ended badly. In its history, Montenegro waged wars on the order of the Russians and was often left "hanging" afterward. King Nikola fought at Moljkovac to spare the brotherly Serbian Army, to be overthrown only two years later by the army and the man whose defeat he had prevented. Even dead, Nikola was prevented from returning to the country. Therefore, the fate of Montenegro must be resolved in Montenegro itself.

[Kesic] The Yugoslav Left is picking up on the Yugoslav political scene, a fact that the ruling party in Montenegro received with a considerable dose of animosity. What is your opinion of the United Left, and can one realistically expect a comeback of communism on our territories?

[Stankovic] Regarding the Montenegrin political scene, I believe that such an option has no prospects in the near future. That idea that had its chance for half of the century without any competition. The party must be aware that, despite several good achievements, globally speaking, it nevertheless did not justify its historic chance. However, I believe that one should grant something to the present left in Serbia. This is one of the few non-nationalist political organizations in Serbia and, in this sense, they have positively influenced the Serbian president, through their president, to stop the war. The ruling party in Montenegro will know very well how to adapt to the position of the official Serbian leadership. This has always been the case so far despite some "naughty escapades." [passage omitted]

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